

Federal Legislation Update

BUDGET & FUNDING-RELATED ITEMS - Updates

➔ **Debt ceiling – New** – On 1/19, per NLIHC U.S. Department of the Treasury Secretary Janet Yellen announced that the federal government had reached its statutory debt limit and that Treasury would begin implementing “extraordinary measures” to avoid a default. Negotiations about the raising of the debt limit that play out in Congress over the next year are likely to involve questions about federal funding for domestic programs, including housing and homelessness services.

➔ **FY 24 Budget – New** – Per NLIHC, there are reports suggesting that House Speaker Kevin McCarthy (R-CA) has committed to slashing federal spending by capping FY 24 appropriations at FY 22 levels. Speaker McCarthy and many of his Republican colleagues in the House have vowed that the roughly \$130 billion in anticipated cuts will focus entirely on non-defense spending. In response to this Representative Rosa DeLauro (D-CT), ranking member of the House Committee on Appropriations, sent letters to several federal agencies on 1/19 requesting information about the impacts of budget cuts on crucial federal programs, including affordable housing and homelessness services programs managed by HUD and the U.S. Department of Agriculture (USDA).

FY 23 Budget – No New Update – On 12/23 Congress passed and the President signed a final FY 23 Omnibus spending package. Congressional leaders announced a final FY 23 omnibus spending bill that includes increased HUD funding. Unfortunately, the final FY23 appropriations bill did not include important changes to the Earned Income Tax Credit, the Child Tax Credit, or the Low-Income Housing Tax Credit.

FY 23 T-HUD Budget – No New Update – On 12/23 Congress passed and the President signed a final FY 23 Omnibus spending package, that included increased HUD funding. Per NLIHC, the final spending bill provides HUD programs with **\$61.8 billion, or \$8.1 billion more than FY22-enacted levels**. The FY 23 budget provides approximately \$745 million more than the amount provided in the Senate proposal, and nearly \$1 billion less than the amount provided in the House proposal. The final spending bill does not include a tax extenders package. Advocates had urged Congress to include a tax extenders package with an extension of the Child Tax Credit and provisions related to the Low-Income Housing Tax Credit (LIHTC). **The final FY 23 T-HUD bill provides increases to some HUD programs:**

- \$30.253 billion for Housing Choice Vouchers including \$26.4 billion to renew existing contracts and
- \$50 million to expand rental assistance vouchers targeted to individuals and families experiencing or at risk of homelessness. When combined with funding for new vouchers through HUD-VASH (\$50 million) and Family Unification Program (\$30 million), the bill will provide assistance to about 11,700 additional households
- \$607 million for Section 811 mainstream vouchers – \$459 increase from FY 22
- \$14.9 billion for Project-based Section 8 – enough to renew all existing contracts
- \$3.63 billion for Homeless Assistance Grants – \$420 million increase from FY 22
 - Funding for homelessness includes \$75 million for the construction, acquisition, or rehabilitation of new permanent supportive housing to expand housing options for people experiencing homelessness.
- \$125 million for the Family Self Sufficiency program, a \$16 million increase, to help families receiving rental assistance build assets.
- \$129 million for the McKinney-Vento Act’s Education for Homeless Children and Youth (EHCY) program – 13% increase from the FY 22 level.
- \$5.1 billion for the Public Housing Operating Funds
- \$787 million for Native American housing block grants
- \$499 million for Housing for Persons with AIDS (HOPWA)
- \$1.08 billion for Section 202 Housing for the Elderly
- \$360 million for Section 811 Housing for People with Disabilities
- \$86 million for fair housing programs

Some HUD programs received level funding:

- \$30 million for Family Unification Program vouchers
- \$3.3 billion for CDBG
- \$1.5 billion for Fed HOME
- \$350 million for the Choice Neighborhood Program

Other provisions included in the final FY 23 Budget:

- \$129 million for the McKinney-Vento Act’s Education for Homeless Children and Youth (EHCY) program – a 13% increase from the FY 22 level.
- In addition to these funding levels, the bill also instructs the U.S. Department of Education (ED) to provide technical assistance to state and local Title I directors on the requirements and uses of Title I funds to effectively support students experiencing homelessness.

➔ **Biden Administration Releases Blueprint for a Renters Bill of Rights – New** – On 1/25, the Administration announced new actions to protect renters and promote rental affordability, as well as a [Blueprint](#) for a Renters Bill of Rights. Among the new actions the White House announced are:

- The Federal Housing Finance Agency (FHFA) will launch a public process to examine proposed renter protections and anti-rent gouging measures for new federally-backed mortgages.
- The administration will hold quarterly meetings with renters and advocates to continue the conversation on renter protections, and will launch a Resident-Centered Housing Challenge, a call to action to housing providers and other stakeholders to commit to renter protections.
- The Federal Trade Commission (FTC) and Consumer Financial Protection Bureau (CFPB) will collect information to identify unfair practices that prevent tenants from accessing or staying in housing, informing each agency's enforcement actions. This is the first time the FTC has acted on renter protections.
- The CFPB will issue guidance and coordinate with the FTC on enforcement to ensure accurate credit reporting.
- HUD will publish a notice of proposed rulemaking to implement the 30-day-notice requirement enacted by Congress through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020.

President Biden's National Strategy on Hunger, Nutrition, and Health – No new update – On 9/27 the Biden Administration announced its [plan to end hunger](#) in the US by 2030. Under the Plan, SNAP eligibility would be expanded, children would get better access to free meals, and summer benefits would be extended to more school-aged children. These changes would require congressional approval.

BILLS - Updates

➔ **HR 773 Homelessness and Behavioral Health Care Coordination Act – New** – On 2/2 Rep. Madeleine Dean reintroduced HR 773, the Homelessness and Behavioral Health Care Coordination Act, co-sponsored by Rep. Sylvia Garcia. This bill would help people experiencing homelessness and behavioral health issues, including substance use disorder, access critical supportive services by authorizing a grant program within HUD to help state and local governments, tribal entities, public housing agencies, and Continuums of Care better coordinate services for behavioral health, including substance use disorder and homelessness.

➔ **Asylum Seekers Work Authorization Act of 2023 – New** – On 2/3 Senators Collins and Sinema reintroduced the Asylum Seekers Work Authorization Act of 2023, which would make asylum seekers eligible to receive work authorizations starting 30 days after filing an asylum application. Senator King is an original co-sponsor.

HR 9587 Tenants' Right to organize Act – No new update – On 12/19 Rep. Andy Levin introduced the Tenant's Right to Organize Act. Per NLIHC, the bill would "protect the organizing rights of tenants with Housing Choice Vouchers (HCVs) and tenants living in Low-Income Housing Tax Credit (LIHTC) properties. Currently, only public housing tenants have a legally recognized right to organize. In extending the right to organize to HCV and LIHTC tenants, the bill recognizes that all tenants have the right to decent, safe, stable, and sanitary housing."

RULES

➔ **Final HOTMA Rule – New** – Per CBPP: HUD posted a [preview version](#) of a final rule implementing portions (Sections 102, 103, and 104) of the Housing Opportunity Through Modernization Act of 2016 (HOTMA). The final rule makes changes to income reviews for federal rental assistance program, including frequency and definitions of income and assets; modifies continued occupancy standards of public housing residents whose income is above the threshold for initial eligibility; and sets the maximum limit on assets for public housing and Section 8-assisted households, among other modifications. The final rule will likely be formally published in the Federal Register toward the end of February.

➔ **Affirmatively Furthering Fair Housing Rule – New** – A proposed Affirmatively Furthering Fair Housing (AFFH) rule providing "a more effective means to affirmatively further the purposes and policies of the 'Fair Housing Act'" was cleared by the Office of Information and Regulatory Affairs (OIRA) of the Office of Management and Budget (OMB) on December 27, 2022. HUD's Office of Fair Housing and Equal Opportunity (FHEO) will submit the proposed rule for publication in the Federal Register, initiating a 60-day public comment period.

State Update: The First regular Session of the 131st Legislature convened on Wednesday, 12/7/22, and per statute will adjourn on 6/21/23. Cloture occurred at 4pm on 12/30. **Please see the Bill Tracking document for specific bills.**