

# Congress Returns to Face Legislative Backlog; Advocates Push for Action on Priorities

*NLIHC's Memo to Members*  
*July 9, 2010*

The Senate returns from the July 4 recess July 12 and the House on July 13 with many housing-related issues still unresolved and a short legislative calendar in which to complete their work.

While the 111<sup>th</sup> Congress has passed a number of significant bills including a major stimulus package, historic health care reform, and legislation to protect tenants in foreclosed properties, and is poised to pass Wall Street reform, many housing issues have yet to be addressed, including funding for the National Housing Trust Fund, FY11 HUD appropriations, the Section 8 Voucher Reform Act (SEVRA), and legislation to preserve federal and state assisted housing.

Upon their return, Members will have three to four weeks to work on legislation before adjourning again for the August recess, and another three to four weeks in September before adjourning for the November elections. Housing advocates hope to see legislative action on several priority issues before the end of this session.

**National Housing Trust Fund.** Funding for the NHTF remains stalled in the Senate. The House passed H.R. 4213, the American Jobs and Closing Tax Loopholes Act of 2010 (the extender bill), which would provide \$1 billion in funds for the NHTF and \$65 million in project-based vouchers to be used with trust fund units, failed to receive the 60 votes needed to allow the bill to move forward. While the Senate could take the bill up again on its return, objections to the revenue provisions in the bill may keep it from moving forward indefinitely. As a result, the NHTF campaign has urged House and Senate leaders to attach the NHTF to whatever legislative vehicle is sure to pass.

**Low Income Housing Tax Credit program.** Efforts to increase demand for Low Income Housing Tax Credits and extend and expand the 9% tax credit exchange program created in the American Recovery and Reinvestment Act have also stalled. The extension of the 9% exchanged program was included along with the NHTF in H.R. 4213, which failed to move forward in the Senate. Provisions to expand the investor base and extend the exchange program to the 4% credit are still being sought by advocates. The bill would also extend the placed-in-service date for LIHTCs allocated for Gulf Coast recovery. One amended version of H.R. 4213 considered by the Senate that did not garner 60 votes needed would also apply the tax credit exchange program to the disaster LIHTCs.

**Section 8 Voucher Reform Act.** SEVRA would provide much-needed reforms to the Housing Choice Voucher program, by making improvements that include establishing a stable funding formula and streamlining some program requirements. SEVRA passed out of the House Committee on Financial Services in July 2009 but has yet to make it to the House floor due to controversial provisions that would tighten identification requirements for households receiving rental assistance. If a stand-alone bill is not considered on the floor, SEVRA provisions could be attached to the FY11 appropriations bill. A SEVRA bill has not been introduced in the Senate.

**Preservation of Assisted Housing.** In March 2010, Financial Services Committee Chairman Barney Frank (D-MA) introduced H.R. 4868, the Housing Preservation and Tenant Protection Act of 2010. This comprehensive legislation would provide the tools needed to prevent the loss of assisted housing. The bill also contains provisions that would reform the Section 202 program, address rural housing preservation, and create a national database that would assist in the

preservation of local homes. The Financial Services Committee is expected to mark up the bill in July. No companion bill has been introduced in the Senate.

**HUD Appropriations.** While the House Appropriation Committee's Subcommittee on Transportation, HUD, and Related Agencies (T-HUD) reported out its FY11 T-HUD appropriations bill on July 1, the prospects for enacting an FY11 appropriations bill for HUD and many other agencies before the November elections are poor. Reports are that no Senate bill is in the offing. Instead, Congress will likely pass a Continuing Resolution to allow the government to operate into the next fiscal year, which begins October 1, and until such time as Congress chooses to return to the appropriations process.

**HUD's Choice Neighborhoods Initiative.** This initiative is HUD's proposed successor to the HOPE VI program and was originally proposed in the FY10 budget. While HOPEVI is for public housing redevelopment only, CNI grants would be intended to revitalize entire neighborhoods and apply to other HUD-assisted housing. A hearing was held on CNI in the House in April and the Financial Services Committee is developing its own version of HUD's proposal. A limited CNI program was funded in the FY10 appropriations bill, but the authorizing committees would like the program to be more fully developed in statute before additional appropriations are provided. Given the short legislative calendar, it is possible that if the Financial Services Committee does not markup CNI, a proposal reflecting the Committee's views could be included in the FY11 HUD appropriations bill.

**PETRA.** HUD initially proposed the Preservation, Enhancement and Transformation of Rental Assistance (PETRA) initiative in its FY11 budget request, as a means to address the long-term preservation of public housing. HUD released a legislative proposal for PETRA in May, just before a House hearing where many concerns about the proposal were raised. HUD continues to strongly push PETRA as a viable and stable solution for the nation's public housing stock, but many concerns have yet to be solved. Chairman Barney Frank and Subcommittee on Housing and Community Opportunity Chairwoman Maxine Waters (D-CA) are expected to continue to work to resolve various concerns. If Congress agrees to provide HUD with any PETRA authority, it may happen as part of the FY11 HUD appropriations bill.

**Public housing demolition/disposition and preservation.** The House Financial Services Committee has taken an active role on issues related to the future of public housing. Beyond PETRA and CNI, Congress is also considering draft public housing preservation legislation authored by Chairman Frank, and legislation to reform the public housing demolition/disposition process authored by Chairwoman Waters. A hearing was held on these draft bills in March. The Committee could move these proposals in conjunction with PETRA or on their own.

**Section 202 Supportive Housing for the Elderly Act of 2009.** At the same time the Administration has proposed cutting the Section 202 and 811 programs from the budget, Congress is considering legislation that would reform each of the programs. S.118 would improve the preservation of existing Section 202 units, make construction of new units easier, and increase access to service coordination and assisted living services. The Senate Committee on Banking, Housing and Urban Affairs held a hearing on S. 118 in October of 2009. Since then, the Committee has been working to modify several aspects of the bill, and could take up this bill in July. The Financial Services Committee has included similar legislation in H.R. 4868, the preservation bill (see above).

**Frank Melville Supportive Housing Investment Act of 2009.** This bill, S. 1481, would improve Section 811, the Supportive Housing for Persons with Disabilities program, by authorizing new rental assistance and a demonstration program to further enable community integration for people with disabilities. The House passed a version of this bill, H.R. 1675, in July of 2009. The Banking,

Housing, and Urban Affairs Committee held a hearing on S. 1481 in October, and may report the bill out of committee in July.