

NAHMAanalysis

NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

Ensuring NAHMA Members Receive the Latest News and Analysis of Breaking Issues in Affordable Housing

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December 21, 2021

NAHMAanalysis 2021-1221

2022 First Quarter Federal Housing Policy Outlook

Congressional Outlook

In terms of housing-related Congressional activity, the major legislative action will center on the Build Back Better legislation and funding the government (annual appropriations), as both failed to get completed in 2021. NAHMA will continue to advocate for increased affordable housing (preservation and development) and rental assistance across the federal programs in HUD, USDA-RHS, and Treasury/IRS (LIHTC).

2022 is also an election year! In the November 2022 elections, 469 seats in the U.S. Congress (34 Senate seats and all 435 House seats) will be up for election. In the U.S. Senate, 14 seats held by Democrats and 20 held by Republicans are up for regular election in 2022. Historically, the President's party faces significant mid-term defeats and the opposition party gains control of the U.S. Congress. Most political analysts predict the Republican party will regain control of the U.S. House of Representatives. However, the Senate remains a toss-up as to which party will control that chamber.

Takeaway: Recent history shows that nothing is certain in any election year. The Biden Administration still has some important domestic policy work that needs to be done, but success will be determined by the President's ability to garner support from his own party. It may be best to check back after November 8, 2022!

Regulatory Outlook

On the regulatory front, however, NAHMA expects a lot of activity throughout 2022. President Biden continues to fill key leadership vacancies across the federal government, with many openings remaining at HUD (Assistant Secretaries and Regional Directors). Moreover, the regulatory agenda will likely become central to the administration as its legislative agenda slows or stalls.

Takeaway: NAHMA anticipates HUD Leadership will continue to reverse many of the policies from the Trump administration and enact their own policy preferences. Fair Housing, Broadband/Connectivity, and Energy/Climate Resiliency are a few key policy areas that we envision receiving the most activity across the administration.

Economic Outlook

NAHMA members continue to relay concerns about supply-chain disruptions, inflation, and labor market challenges. Supply chain disruptions are adversely impacting properties and physical inspections. Recent analysis from financial institutions, consumer goods firms, and federal agencies share a common theme: supply chain disruptions are a major stumbling block for the nation's economic recovery. While there are signs of disruptions easing, they will likely last into late 2022. Members can learn more by reviewing this White House Briefing Room update, [Improving and Tracking Supply Chains Link by Link](#).

From a labor market perspective, the U.S. Bureau of Labor Statistics' November [jobs report](#) had the national unemployment rate at 4.2%, returning closer to pre-pandemic levels. Given unemployed workers are obtaining jobs at a fast pace, this is presenting a unique challenge to NAHMA member companies who are competing for workers, particularly at the property level for maintenance and service staff. The competition for workers is fierce, as retail, on-demand/delivery, restaurant, and hospitality sectors are all competing for similar employees.

Finally, inflation is adversely impacting the economy. The recent U.S. Labor Department's consumer inflation report ([Consumer Price Index News Release](#)) showed inflation rose 6.8 percent for the 12 months ending November, "the largest 12-month increase since the period ending June 1982." According to the Bipartisan Policy Center's recent report, [Inflation: Is It Here to Stay?](#), in addition to gas and used car prices... "since last October, prices for food, apparel, and shelter are up by 5.3%, 4.3%, and 3.5%, respectively." There is an ongoing debate about whether inflation is temporary or more a permanent issue. An answer may not be clear until mid-2022.

Conclusion

In conclusion, NAHMA members are facing shrinking budgets, rising costs, supply chain delays, and a changing labor market in 2022. In early 2022, legislative and regulatory action will shape the months until the summer, which usually gives way to election/campaign season. NAHMA will continue to focus on advocacy to the federal agencies and Congress. We look forward to hearing from members in the New Year and wish you a Happy, Healthy, and Safe Holidays!!!