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The 2002 Mid-Term Congressional Elections

Effective Date

The 108th Congress will convene on January 7, 2003.

Background

On November 5, voters elected a House and Senate controlled by Republicans. The results of these elections have implications for the leadership of each chamber, and the committee chairmanships. Generally speaking, the party with the most members in each chamber sets the agenda for consideration of bills and controls the committee chairmanships. Most of the changes will occur in the Senate, as control switches back to the Republicans. The House is less likely to drastically change, as it was already under GOP control before the elections. However, with the retirement of Rep. Marge Roukema, who chaired the Subcommittee on Housing and Opportunity, there will be a new chairman of this key position.

Summary

Results in brief: in the Senate, there will be at least 51 Republicans, 47 Democrats, and 1 Independent. The one remaining Senate seat will be determined by the special run-off election in Louisiana between incumbent Democrat Mary Landrieu and Republican challenger Suzanne Terrell. In the House, there will be at least 228 Republicans, 204 Democrats, and 1 Independents. A couple of races remain undecided.

DISCLAIMER: The elections for the House and Senate Leadership have not yet been completed. The committee and subcommittee chairs have not yet been officially named. The analysis below represents projections based on the best information available at this time.

House Leadership

Speaker of the House: Dennis Hastert (R-IL)

The Speaker of the House must be elected by the entire House as the first order of business in the new Congress. It is worth noting that the Speaker is also in the line of succession for the Presidency if both the President and Vice President are killed. He controls the agenda for the House.

Majority Leader: Tom Delay (R-TX)

Minority Leader: Open position

Majority Leader Tom Delay will schedule the votes on the House floor, and is charged with making sure the proverbial “trains run on time.” He will likely oversee the day-to-day operations of the legislative agenda. He is also closely aligned with the White House.

The Minority Leader is the recognized leader of the party with fewer members. Long-time Democratic leader Richard Gephardt has stepped aside. The race for Minority Leader is among Nancy Pelosi (D-CA), Harold Ford, Jr. (D-TN), and late entry candidate Marcy Kaptur (D-OH). Pelosi represents the liberal wing of the Democratic Party, while Ford is more of a moderate centrist. At presstime, the election was imminent, with the likely winner to be Pelosi.

Since President Bush took office, the House’s agenda has been largely determined by cues from the White House. This is to be expected when the President’s party controls the chamber. In order for new housing legislation to receive floor consideration, we will first have to secure the cooperation and support of the relevant committee chairmen. More individual members of the House—particularly Republican members—must be convinced to support our causes.

Senate Leadership

Majority Leader: Trent Lott (R-MI)

Minority Leader: Tom Daschle (D-SD)

In the Senate, an individual becomes majority leader if he was the elected leader of his party and has the most Senators caucusing, or aligning themselves, with his party. The Senate Majority Leader is a position recognized by tradition, not a full vote by the Senate. The Senate Majority Leader’s job is to set the agenda for each chamber; he decides what business comes to the Senate floor, and when it gets a vote.

In recent weeks, Senator Lott has shown more willingness to express his opinions, even when they happen to be contrary to the President’s. While it is natural to expect that the Senate will be more closely aligned with the White House when Republicans resume control, Senator Lott has also been known to be responsive to concerns of individual members of his own caucus. The key again will be to get housing bills through the relevant committees, and then have key Senators ask for a vote in the full Senate.

The Senate Minority leader is the recognized head of his or her party. He is generally the person who tries to ensure that the party gets an opportunity to vote on desired amendments, and negotiates time agreements on debate and amendments with the Majority Leader.

House Committees

Republicans and Democrats have their own rules for choosing committee chairman. Under the Republican administration of the House, committee chairmen are nominated by the party’s Steering Committee and approved by the Republican Caucus. Seniority on a committee is one of several factors, such as ideology, considered in appointing chairmanships. Seniority is not a requirement. Subcommittee chairmen are chosen by the chair of the full committee.

Ranking Members of the committees are the leaders of the minority party. They do not control the agenda or schedule of the committees, but they can be influential in crafting legislation and choosing witnesses at hearings.

Financial Services Committee

Chairman, Mike Oxley (R-OH)

Ranking Member, Barney Frank (D-MA)

Financial Services Subcommittee on Housing and Opportunity

Chairman, Open position

Ranking Member, Open Position

This committee and subcommittee have oversight responsibility of HUD and the Rural Housing Service. Consideration of most housing-related legislation in the House will begin here.

Consideration of housing issues is likely to resume in the 108th Congress. Most emphasis will likely remain on homeownership, but this committee has historically produced large housing bills that encompass homeownership and multifamily provisions. Chairman Oxley cosponsored HR 3995, a NAHMA-supported bill which provided for new homeownership opportunities, created new programs to encourage production and preservation of affordable housing, reauthorized federal programs for the homeless, and sought to improve aspects of public housing. Likewise, the Chairman's staff has expressed interest in working with NAHMA to improve affordable housing programs. Ranking Member Barney Frank has been a consistent, passionate advocate for production and preservation of affordable housing.

With the retirement of Rep. Marge Roukema, and the elevation of Rep. Frank to Ranking Member of the full committee, the Chair and Ranking Member status of the Housing Subcommittee are open. One likely contender for the Chair is Rep. Bob Ney (R-OH). Rep. Ney is interested, and is a home-state colleague of the Chairman—important advantages to have when the Chairman selects the subcommittee leaders. NAHMA has worked with Rep. Ney on advancing legislation to allow Section 515 owners the right to prepay their mortgages.

With the right message and well-supported arguments, there should be opportunities in the next Congress to advance legislation we support.

Appropriations Committee

Chairman, Bill Young (R-FL)

Ranking Member, David Obey (D-WI)

The Appropriations Committee decides how much money federal programs will receive each year and how the agencies will use that money. Their jurisdiction is limited to funding discretionary programs. They do not fund entitlements such as Social Security.

Subcommittee on VA-HUD-Independent Agencies

Chairman, Jim Walsh (R-NY)

Ranking Member, Alan Mollohan (D-WV)

This is the subcommittee responsible for funding HUD programs.

HUD has become the “go-to” account for appropriators. Last summer, the House appropriators prevailed in rescinding \$300 million which was slated for rehabilitation for Section 236 properties to pay for other programs. The Chairman has provided funding for Section 8 expiring contracts, but is unlikely to support large increases in the program, and would probably be unsympathetic to proposals for new multifamily production proposals. The Ranking Member has been a friend to NAHMA, is sympathetic to the need for affordable housing, and has expressed frustration about budget constraints for domestic programs.

Subcommittee on Agriculture

Chairman, Henry Bonilla (R-TX)

Ranking Member, Marcy Kaptur (D-OH)

This subcommittee funds the Rural Housing Service. It is worth noting that the subcommittee rejected the cuts to the Section 515 program proposed by the Administration. The subcommittee restored money needed for new production under Section 515 in its agriculture appropriations bill for 2003.

Ways and Means Committee

Chairman, Bill Thomas (R-CA)

Ranking Member, Charles Rangel (D-NY)

This is the tax-writing committee and the authorizing committee for entitlement programs such as Social Security, Medicare, etc. Legislation to amend the Low Income Housing Tax Credit (LIHTC) program falls under the jurisdiction of this committee.

Expect to see a lot of tax bills in the next Congress. More information is needed on Chairman Thomas' level of support for the LIHTC; however, Ranking Member Charlie Rangel is an enthusiastic supporter.

Senate Committees

While there are specific procedures followed by the Republican and Democratic Caucuses in selecting Committee Chairmen, the tradition of the Senate generally recognizes that the member of the majority party having the most seniority on the committee becomes chairman. Likewise, the member of the minority party who has the most seniority on the committee becomes the ranking member.

Banking, Housing & Urban Affairs Committee

Chairman, Richard Shelby (R-AL)

Ranking Member, Paul Sarbanes, (D-MD)

Subcommittee on Housing and Transportation

Chairman, Wayne Allard (R-CO)

Ranking Member, Jack Reid (D-RI)

The Banking Committee is the Senate counterpart to the House Financial Services Committee. The Subcommittee on Housing and Transportation is the counterpart to the House Subcommittee on Housing and Opportunity.

With the retirement of Senator Phil Gramm, and control of the chamber returned to Republicans, Senator Shelby is next in line to become Chairman of the Banking Committee. His agenda for affordable housing is not known at this time, but he is a member of the Senate VA-HUD Appropriations Subcommittee. He was also the author of the Manufactured Housing Improvement Act a couple of years ago. Some continuity on the committee may be provided by Ranking Member Paul Sarbanes, a committed advocate of affordable housing and a friend to NAHMA.

On the subcommittee level, Senator Allard is likely to resume his chairmanship. During his previous tenure as Subcommittee Chairman from 1999 to 2000, Sen. Allard held a series of aggressive oversight

hearings on HUD management issues and program implementation. He was also helpful in advancing legislation to assist Section 202 and Section 811 sponsors. Knowing that HUD is a historically troubled agency, Chairman Allard is unlikely to want to significantly expand HUD programs; however, he is likely to be receptive to ideas on improving HUD's management and efficiency from a "good government" perspective. When HUD does not implement the law properly, Chairman Allard is likely to be interested.

Ranking Member Jack Reid is a supporter of affordable housing, and also serves on the Appropriations Committee. He is helpful both as one who creates the programs and as one who funds them.

Appropriations Committee

Chairman, Ted Stevens (R-AK)

Ranking Member, Robert Byrd (D-WV)

Like its House counterpart, the Senate Appropriations Committee decides how much money federal programs receive, and how it should be spent. Overall, the Senate appropriators are likely to be more generous than the House.

Subcommittee on VA-HUD-Independent Agencies

Chairman, Kit Bond (R-MO)

Ranking Member, Barbara Mikulski (D-MD)

We have bipartisan support for affordable housing with the leaders of this subcommittee. Senator Bond has been a genuine friend of affordable housing. He has introduced a bill to authorize federal assistance for production of multifamily housing. He has also publicly expressed frustration that HUD has become a "bank" to fund other non-housing related programs. Senator Mikulski is also a strong supporter of affordable housing.

Subcommittee on Agriculture

Chairman, Thad Cochran (R-MI)

Ranking Member, Herb Kohl (D-WI)

Under Democratic control, this subcommittee specifically rejected the President's proposed freeze on new construction of Section 515 housing. More information is needed on the overall commitment of the chairman and ranking member to affordable housing.

Finance

Chairman, Charles Grassley (R-IA)

Ranking Member, Max Baucus (D-MT)

This is the Senate counterpart to the House Ways and Means Committee. The Finance Committee is the committee of jurisdiction for LIHTC bills.

Chairman Grassley is expected to be an avid tax-cutter. The level of enthusiasm for the LIHTC by the incoming Chairman and Ranking Member is not known at this time.

Issues of Concern to NAHMA

Members of the President's political party tend to defer to his Administration's advice in areas where they do not have an extensive knowledge base, a clearly defined position, or do not perceive an urgent need in their own districts. Vouchers, as opposed to project-based Section 8, are the preferred method of housing assistance by this Administration. What's more, the Administration wants to use quite a bit of the vouchers for homeownership, rather than rental assistance. Based on the 2003 budget requests, and positions taken by this Administration over the course of the 107th Congress, it is logical to assume that Republican members will be pressured by HUD and the Office of Management and Budget (OMB—the President's "bean counters") to: resist significant spending increases in HUD programs; oppose new multifamily housing production proposals; and possibly even to cut certain current production programs (such as the Section 515 rural housing production program). NAHMA will have to work hard to make Congress understand why project-based Section 8 and Section 515 construction assistance are important and should be continued.

Positive Aspects of the Election Outcome

With Republican control of both chambers of Congress and the Administration, there is likely to be much greater emphasis on tax cuts. This means there should be plenty of vehicles to move legislation related to the low income housing tax credit (LIHTC). Republicans and Democrats alike recognize the importance of the LIHTC, and it is likely to continue receiving considerable bipartisan support.

NAHMA's position

With new members of Congress and, in some instances, new committee and subcommittee chairmen, we have the opportunity to educate them about the importance of affordable housing. Although NAHMA expects the Administration to pressure members against supporting project-based rental assistance and new production programs for multifamily housing, NAHMA urges members to take NO votes for granted, and to make no assumptions about what a member's position on your issues will be based solely on party affiliation. Take the time to advocate for the issues that are important to you. Remember the advice of former Speaker of the House Tip O'Neill, "All politics is local."