

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

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January 31, 2007

NAHMAanalysis # 2007- 0131

110th Congress Leadership Updates

Effective Date

The 110th Congress convened on January 4, 2007.

Background

On November 7, 2006, voters across the country made a dramatic statement, returning the House of Representatives and the Senate to control by the Democrats. In the Senate, the Democrats will have a 51-49 majority, while over in the House Democrats will enjoy a 233-202 majority. 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.

Summary

The Senate is currently divided between 49 Republicans, 49 Democrats, and 2 Independents. Because the two Independent senators, Bernie Sanders of Vermont and Joseph Lieberman of Connecticut will vote with the Democrats, control of the chamber returns to them. The House will be divided between 233 Democrats and 202 Republicans with 0 Independents.

With a new majority in both chambers, the Democrats have also regained control of key committee chairmanships.

House Leadership

Speaker of the House: Nancy Pelosi (D-CA)

On January 4, 2007, Nancy Pelosi became the first female Speaker of the House, having been elected by the entire House as the first order of business in the new 110th session of Congress. It is worth noting that the Speaker is also third in the line of succession for the Presidency, behind the Vice President. The Speaker controls the agenda for the House.

Addressing the House, Speaker Pelosi said

“In this House, we may be different parties, but we serve one country, and our pride and our prayers are united behind our men and women in uniform. They are working together to protect the American people; and in this Congress, we must work together to build a future worthy of their sacrifice.

In this hour, we need and pray for the character, courage, and civility of a former Member of this House, President Ford. He healed the country when it needed healing. This is another time, another war, and another trial of American will, imagination, and spirit. Let us honor his memory not just in eulogy, but in dialogue and trust across the aisle.”

Majority Leader: Steny Hoyer (D-MD)

House Majority Leader Hoyer will schedule 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.

Majority Whip: James Clyburn (D-SC)

The Majority Whip will have the task of ensuring that members in the majority, in this case Democrats, attend and vote along party lines and in step with the desires of the Democratic Leadership.

Minority Leader: John Boehner (R-OH)

The Minority Leader is the recognized leader of the party with fewer members.

While the previous Speaker Dennis Hastert (R-IL) won re-election to his House seat, he decided not seek the Minority Leader post. This opened the door for the previous *Majority Leader* John Boehner to be elected by Republicans as Minority Leader.

John Boehner, on handing the gavel and transferring leadership over to Nancy Pelosi, stated

“For more than 200 years, the leaders of our government have been democratically elected, and from their ranks our leaders have always selected a man for the responsibility and honor as serving as Speaker of the House. Always, that is, until today.

It is sometimes said the Founding Fathers would not recognize the government that exists here in Washington today. It has grown in size and scope far beyond anything they could ever have imagined, much less endorsed or advocated for our future. But today marks an occasion that I think the Founding Fathers would view approvingly. And my fellow Americans, whether you are a Republican, a Democrat, or an Independent, today is a cause for celebration.”

Minority Whip: Roy Blunt (R-MO)

In a somewhat surprising move to some, House GOP members choose to stay with both Boehner and Blunt instead of electing new leaders after the control of the House switched. As Minority Whip, Mr. Blunt will aid in directing Republican members on how to vote, as well as determine the agenda for the minority.

Senate Leadership

Majority Leader: Harry Reid (D-NV)

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.

Riding the wave of better-than-expected results for Senate Democrats, Harry Reid will continue at the helm of his caucus, moving from Minority to Majority Leader.

Minority Leader: Mitch McConnell (R-KY)

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.

McConnell previously served as the Senate Majority Whip—the second highest ranking Republican. Despite the disappointing results of the midterm election, McConnell has earned the respect of his Republican colleagues and was chosen by the Senate Republicans as Minority Leader.

House Committees

Republicans and Democrats have their own rules for choosing committee chairman. Committee Chairs control the legislative agenda, schedule, and enjoy subpoena power. They are members of the majority party. Ranking Members of the committees lead 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.

House Financial Services Committee

Committee Chairman: Barney Frank (D-MA) **Ranking Member: Spencer Bachus (R-AL)**

Financial Services Subcommittee on Housing and Opportunity

Subcommittee Chairman: Maxine Waters (D-CA) **Ranking Member: Judy Biggert (R-IL)**

This committee and subcommittee have oversight responsibility of HUD and the Rural Housing Service. As the appropriate “authorizing committee” for housing issues, consideration of most new housing-related legislation in the House begins here.

We are already receiving exciting news that Committee Chairman Frank and Ways and Means Committee Chairman Charlie Rangel are planning to work on a joint housing bill. NAHMA believes this represents a unique opportunity to resolve some of the major challenges to successfully operate mixed subsidy (HUD and Low Income Housing Tax Credit) properties.

With Chairman Frank and Chairman Waters at the helm, we can look forward to working with strong supporters of affordable housing programs. Each has shown a willingness to reach out to industry representatives and work with their Republican colleagues during their terms as Ranking Members.

Rep. Spencer Bachus (R-AL) was chosen to lead as Ranking Member, with Judy Biggert as Ranking Member for the Housing Subcommittee. On January 30, the Committee chose Member assignments for each Subcommittee. NAHMA is looking forward to working with these new leaders.

Appropriations Committee

Committee Chairman: David Obey (D-WI)

Ranking Member: Jerry Lewis (R-CA)

Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

Subcommittee Chairman: John Olver (D-MA)

Ranking Member: Joe Knollenberg (R-MI)

Subcommittee on Agriculture

Chairman: Rosa DeLauro (D-CT)

Ranking Member: Jack Kingston (R-GA)

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. The Transportation, HUD Subcommittee is responsible for funding HUD programs. The Subcommittee on Agriculture funds USDA-RHS programs.

Democratic Appropriations Committee staff has cautioned industry representatives and advocates that the mounting federal deficits are straining the budget and limiting budget options. Even with Democrats in control, we were told, there would not be huge immediate increases in HUD's budget.

However, it is unlikely that draconian cuts proposed in the President's budget (such as cutting Section 811 by half and CDBG by 75 percent) would even be entertained by a Democrat-controlled Appropriations Committee.

Ways and Means Committee

Chairman: Charles Rangel (D-NY)

Ranking Member: Jim McCrery (R-LA)

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.

Rep. Rangel is an enthusiastic supporter of the Low Income Housing Tax Credit (LIHTC). As previously discussed, his intention to write a joint housing bill with Rep. Frank presents an incredible opportunity to address challenges in mixed subsidy properties. Additionally, NAHMA will seek action on legislation to update the occupancy rules for full time student households in LIHTC properties in this important committee.

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: Christopher Dodd (D-CT)

Ranking Member: Richard Shelby (R-AL)

Subcommittee on Housing, Transportation and Community Development

Chairman: Charles Schumer (D-NY)

Ranking Member: Mike Crapo (R-ID)

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

In a statement issued on November 8, Senator Dodd expressed his belief that “two primary priorities” of the Banking Committee should be:

“First, to make America more secure by preventing the outsourcing of militarily sensitive jobs and technologies, by protecting our transit systems, by protecting our ports, and by ensuring that terrorists are thwarted in their efforts to use our financial system;

Second, to make America more prosperous by creating the most transparent and vibrant capital markets in the world, by using our laws to better promote the export of American goods and services, by ensuring that working families can find affordable housing and better jobs, by protecting consumers so they can fully and fairly participate in our capitalist system, and by creating public transportation that serves the needs of working Americans in every corner of our country.”

It is also worth noting that Chairman Schumer is also a member of the Senate Finance Committee, which has jurisdiction over the Low Income Housing Tax Credit.

Appropriations Committee

Chairman: Robert Byrd (D-WV)

Ranking Member: Thad Cochran (R-MS)

Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

Subcommittee Chairman: Patty Murray (D-OR)

Ranking Member: Christopher Bond (R-MO)

Subcommittee on Agriculture, Rural Development, and FDA

Subcommittee Chairman: Herb Kohl (D-WI)

Ranking Member: Robert Bennett (R-UT)

Like its House counterpart, the Senate Appropriations Committee decides how much money federal programs receive, and how it should be spent. The subcommittees noted fund HUD and USDA-RHS programs.

The same observations regarding the House appropriators would seem to apply here. We can expect severe cuts to multifamily rental programs to be rejected outright, but increases will be modest at best.

Finance Committee

Chairman: Max Baucus (D-MT)

Ranking Member: Charles Grassley (R-IA)

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

While we know that Senator Baucus support the LIHTC, we do not know where housing factors into his agenda for the committee. We do expect the Committee to place of high priority on oversight of nonprofits—particularly political activity by 501(c)(3) organizations.

Positive Aspects of the Election Outcome

NAHMA is pleased that several members of Congress with longstanding records of support for affordable housing programs will assume key positions of authority in the 110th Congress. We believe there will be exciting opportunities to advance new housing legislation and to stabilize the budgets for important rental programs.

Issues of Concern to NAHMA

NAHMA will continue to enthusiastically advocate for our members in the owner / agent community. In doing so, our interests will sometimes conflict with the tenants' groups. One challenge of which we must be mindful is that low-income families are a core constituency of the Democratic Party. The new Democratic leaders, while supportive of affordable housing programs, are also very protective of tenants' rights. Our advocacy efforts must be sensitive to this reality.

Before we get too giddy about passing new housing bills, we should remember that legislation still requires the President's signature to become law. President Bush has two years left in office, and retains the power to veto bills with which he does not agree. In fact, it is to be expected that the number of vetoed bills will significantly increase when the Executive and Legislative Branches are controlled by different political parties. Recall that President Clinton made frequent use of his veto to thwart the agenda of the Republican Congress.

For the past six years, President Bush enjoyed mostly Republican majorities in Congress (except for a brief period when control of the Senate swung to Democrats resulting from Senator Jim Jeffords' party switch in 2001). As the leader of the Republican Party, President Bush was often able to enforce party discipline to advance his policy priorities. The President will not enjoy the same power with a Democratic Congress. The Democrats will pursue their own policy agenda, which will prompt the President's veto.

Based on the Administration's record of the past six years, NAHMA expects the President to veto appropriations bills he considers "excessive spending." Even if the Democrats can find the money to provide more than modest increases for affordable housing programs, it is doubtful that this Administration would enact them. The same treatment is likely to befall legislation authorizing a new HUD multifamily production program or attempts to return the Section 8 Housing Choice Voucher Program to a "unit-based" or "cost-based" program. Of course, hope for a better outcome springs eternal!

NAHMA's position

A key tenant of NAHMA's mission is to advocate for the production and preservation of affordable multifamily housing. NAHMA welcomes the opportunity to work with all interested members of Congress and the Administration to achieve these goals.

As NAHMA reaches out to the 110th Congress, we urge our members to do the same. NAHMA urges members to take NO votes for granted, and to make no assumptions about what a senator or representative's position will be based solely on party affiliation. Take the time to advocate for the issues

that are important to you. If you have questions about policy issues and / or the legislative process, please know that NAHMA is here to help.

Much work lies ahead in 2007. With your support, we can make positive things happen for this important industry and for the residents who need communities of quality to call home.