

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

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NAHMAanalysis: Presidential Elections 2008

Effective Date

The 111th Congress will convene on an as of yet undetermined date in January 2008.

Background

On November 4, voters across the country made a dramatic statement, voting Democrat Barack Obama the 44th President of the United States. Democrats also strengthened their control of the House of Representatives and the Senate by significant margins. 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 Democrats swept the 2008 Election. Barack Obama won the election for the 44th Presidency with 364 electoral votes to John McCain's 162. Missouri is still too close to call. Obama also won 53% of the popular vote.

The Senate is divided between 40 Republicans and 55 Democrats. Two sitting Senators are Independents, but tend to vote Democrat. Two Senate seats, Alaska and Georgia, are still too close to call. Neither candidate in Minnesota received 50% of the vote, so a run-off will be held. The Democrats are unlikely to have a filibuster-proof majority.

In the House, Democrats have significantly exceeded the 218 seats needed to maintain the majority. The New York Times is reporting the numbers as 254 Democrats to 173 Republicans, with eight races undecided.

With a continued majority, the Democrats remain in control of key committee chairmanships in both chambers.

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

President

Barack Obama (Democrat)

Obama won the electoral vote in a landslide and 53% of the popular vote. The media is calling his win “historic” because he will be the first African-American President of the United States. Senator Joe Biden (D-DE) will be the Vice President. Rep. Rahm Emanuel (D-IL), a former President Clinton aide, has accepted the position of White House Chief of Staff.

McCain offered a sincere concession speech and his commitment to help unite the parties in the light of challenges America will face in the coming years. “I urge all Americans who supported me to join me in not just congratulating him, but offering our next president our goodwill and earnest effort to find ways to come together,” said McCain.

In Obama’s acceptance speech, he reminded citizens of the tasks before us, “two wars, a planet in peril, the worst financial crisis in a century.” He called on Americans to unify and “summon a new spirit of patriotism, of responsibility, where each of us resolves to pitch in and work harder and look after not only ourselves but each other.”

Not much is yet known about Obama’s priorities for affordable housing in his new Administration. Based on his previous voting record, it seems he is friendly toward the affordable housing community. Politico has speculated that his HUD Secretary pick would be longtime adviser Valerie Jarrett or Rep. Jesse Jackson Jr. (D-Ill.).

House Leadership

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

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 third in the line of succession for the Presidency, behind the Vice President. The Speaker controls the agenda for the House.

Rep. Pelosi is the current Speaker of the House. It is unlikely she will be removed from this position.

Current Majority Leader: Steny Hoyer (D-MD)

The Majority Leader schedules 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.

Hoyer is the current Majority Leader. It is unlikely he will be removed from this position.

Current Minority Leader: John Boehner (R-OH)

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

Boehner is the current Minority Leader. It is unlikely he will be removed from this position.

Senate Leadership

Current 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.

Harry Reid will likely continue as the Majority Leader.

Current 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 currently serves as the Senate Minority Leader. He is unlikely to be replaced.

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

Current Committee Chairman: Barney Frank (D-MA)

Current Ranking Member: Spencer Baucus (R-AL)

Financial Services Subcommittee on Housing and Opportunity

Current Subcommittee Chairman: Maxine Waters (D-CA)

Current Ranking Member: Shelley Capito (R-WV)

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.

Committee Chairman Frank is working on a housing preservation bill. NAHMA believes this represents a unique opportunity to resolve some of the major challenges to successfully preserving affordable housing properties and to deal with other problems plaguing the system, including REAC.

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 strong commitment over the last two years by reaching out to industry representatives and working with their Republican colleagues.

Appropriations Committee

Current Committee Chairman: David Obey (D-WI)

Current Ranking Member: Jerry Lewis (R-CA)

Subcommittee on Transportation, Treasury, and Housing and Urban Development, The Judiciary, District of Columbia

Current Subcommittee Chairman: John Olver (D-MA)

Current Ranking Member: Undecided (Knollenberg, the former Ranking Member was defeated), possibly Frank Wolf (R-VA)

Subcommittee on Agriculture

Current Subcommittee Chairman: Rosa DeLauro (D-CT)

Current 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, Treasury 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.

However, it is unlikely that draconian cuts proposed in the President's FY 2009 budget would even be entertained by a Democrat-controlled Appropriations Committee. In fact, recent appropriations legislation has demonstrated strong support for the Project Based Section 8 program and a commitment to alleviate the shortfall of \$2.8 billion. FY 2009 Appropriations are expected to pass in the 111th Congress using existing Committee legislation as guides.

Ways and Means Committee

Current Chairman: Charles Rangel (D-NY)

Current Ranking Member: Undecided, possibly Wally Herger (R-CA)

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 has been enthusiastic supporter of the Low Income Housing Tax Credit (LIHTC). As previously discussed, NAHMA will continue to follow up with his office in regards to the tax credit financial crisis and any additional tax credit legislation introduced in the 111th Congress.

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

Current Chairman: Christopher Dodd (D-CT)

Current Ranking Member: Richard Shelby (R-AL)

Subcommittee on Housing and Transportation

Current Chairman: Charles Schumer (D-NY)

Current Ranking Member: Undecided, multiple Republican Committee Members lost races

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.

Senator Dodd was instrumental in pushing H.R. 3221, the Housing and Economic Recovery Act of 2008, through the Senate. We expect him to continue his support for affordable housing.

Senator Schumer has been a strong supporter of affordable housing programs. In the past, he has expressed interest in writing legislation in support of the HUD multifamily programs and has voiced strong support for SEVRA.

Appropriations Committee

Current Chairman: Robert Byrd (D-WV)

Current Ranking Member: Thad Cochran (R-MS)

Subcommittee on Transportation, Treasury, the Judiciary and Housing and Urban Development, and Related Agencies

Current Subcommittee Chairman: Patty Murray (D-OR)

Current Ranking Member: Christopher Bond (R-MO)

Subcommittee on Agriculture

Current Subcommittee Chairman: Herb Kohl (D-WI)

Current 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 any decreases in the multifamily rental programs to be rejected outright. In recent appropriations legislation and report language, we have seen strong support for the Project Based Section 8 program and a commitment to alleviate the shortfall of \$2.8 billion. FY 2009 Appropriations are expected to pass in the 111th Congress using existing legislation, S. 3261: THUD Appropriations Bill and S. 3289: USDA Appropriations Bill, as guides.

Finance Committee

Current Chairman: Max Baucus (D-MT)

Current 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 supports the LIHTC, we do not know where housing factors into his agenda for the committee. We do expect the Committee to place 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 retain key positions of authority in the 111th Congress. We believe there will be exciting opportunities to advance new housing legislation and to stabilize the funding for important rental programs.

However, it is import to remember hurdles still remain and it is extremely important for NAHMA members to remain active in their grassroots advocacy efforts to keep affordable housing issues at the forefront of Congressional and Administrative agenda.

Issues of Concern to NAHMA

NAHMA remains concerned that the FY 2009 Appropriations have yet to be approved by Congress. We are still experiencing a shortfall in Project-Based Section 8 funding and only receiving funding through March with a continuing resolution. It is most important that Congress place the appropriations process at the forefront of their agenda when they reconvene in January and pass the legislation quickly. NAHMA members are reminded to remain in contact with their government representatives in order to receive full FY 2009 funding as soon as possible.

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 new Administration to achieve these goals.

As NAHMA reaches out to the 111th Congress and a new Administration, 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 2009. 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.