

O.K. GIVE IT TO ME STRAIGHT: WHAT IS HAPPENING IN WASHINGTON??

Barbara Burnham, Vice President for Policy, Local Initiatives Support Corporation

Political Environment:

- Partisan tension and gridlock. Difficulty in reaching agreement on just about anything.
- Focus on deficit reduction and tax reform poses a serious threat to all spending programs.
- Continuing concern over sluggish economy and jobs. Although housing market beginning to pick up in some areas.
- Limited opportunities for creating or amending new programs although advocates aren't giving up.
- Tax-writing committees moving forward on comprehensive tax reform.

Congressional Schedule:

- Last minute passage of full-year continuing resolution, aka sequestration legislation, causing 5% cuts to most defense and non-defense discretionary programs. Total cuts are \$85 billion (would have been \$109 billion) due to delay caused by fiscal cliff debate. Total cuts over ten years expected to be \$1.2 trillion unless present plan is amended.
- Senate and House have both proposed politically charged budget resolutions. Need to reach agreement by April 15th according to schedule.
- Administration's FY14 budget coming out week of April 8th, two months later than usual.
- Appropriations hearings and mark-ups to follow release of budget. Schedule of mark-ups unclear due to dispute on budget resolutions.
- Debt ceiling (ability of the government to borrow) increase necessary late spring early summer. If not resolved will drive discussion about spending priorities.
- Tax reform hearings beginning and unclear whether movement or not.

What To Expect:

- Conflict over budget resolution between the House and the Senate already exists.
- President's budget will be a compromise budget on many programs for housing and community development for urban and rural programs. Concern about HOME, CDBG, Section 202 elderly housing, contract renewals for Project-Based Rental Assistance and other HUD programs. Concern about cuts to Section 502 Direct Loan program in USDA, non-renewal of Section 521 Rental Assistance for assisted properties.
- Tax reform discussion will be complicated and divisive. LIHTC and NMTC at risk.
- Housing Finance Reform discussions beginning and will continue through 113th Congress. Must produce a strong secondary market system with a

robust affordable housing mission that engages HFAs and other affordable lending partners in order to maximize lending potential and provide access to low and moderate income people. Extremely important for the future of affordable housing. Will set the stage for decades to come.

- FHA under scrutiny for safety and soundness. We'll hear lots about its future in the coming years in conjunction with housing finance reform discussion.
- Possible movement on AHSSIA bill (Section 8 reform), Livable Communities Act, Permanent fix to floating 9% credit and creating a new 4% floor for the 4% acquisition credit, Mortgage Interest Deduction bill which would provide funds for the National Housing Trust Fund, project-based section 8, public housing operating fund and an increase to the LIHTC.
- Continuing discussion of USDA rural definition which almost expired this year but was continued in CR, If not extended 900 rural communities, including in RI would be banned from receiving USDA funds.

What can we do?

- Senators and Congressmen have lots of time at home. Meet with them often.
- Do your homework on who they listen to. Bring them out to the neighborhoods to meet with real folks. Tours and roundtables do work if they are well done and focused.
- Have local facts and figures ready on future impacts of recent cuts.
- Push for a reasonable end to sequestration.
- Build coalitions with unlikely partners to make you point.

Who do we talk to and why?

- Governor Chafee. He has a lobbyist in Washington. Make sure his message is your message.
- Mayor Taveras. He has a lobbyist in Washington. Make sure his message is your message.
- Senator Jack Reed is a member of the powerful Appropriations Committee and a member of the Transportation, Housing and Urban Development Appropriations sub-committee. He is also a member of the Housing and Community Development sub-committee of the Banking Committee.
- Senator Sheldon Whitehouse is a member of the Budget Committee which cuts the pie of available funds for the various sub-committees. He helps to determine the path of budget resolutions.
- Congressman Jim Langevin does not have a seat on a committee relevant to housing and community development issues but is a 7-term congressman and has juice among Democrats in the House. Don't ignore him.
- Congressman David Cicilline is a member of the House Budget Committee. Like Senator Whitehouse he is influential in cutting up the pie between sub-committees. As a former Mayor and strong supporter of housing and community development he knows first-hand the need for the programs and policies we care about.