



2020 ELECTION: AFFORDABLE HOUSING OUTLOOK

While federal elections are always consequential for affordable housing policy, this year the stakes are higher than ever before. Prior to the COVID-19 crisis, nearly 11 million renter households were spending more than half of their income on rent. Today, millions of workers have lost their livelihoods or had their wages reduced due to the crisis, and many impacted renters are becoming housing cost-burdened if they were not already. The 2020 presidential candidates, and candidates down-ballot, have a variety of solutions to address the growing affordable housing need.

The Affordable Housing Tax Credit Coalition is focused on how the election results will impact the Low-Income Housing Tax Credit (Housing Credit), our nation's primary tool to create and preserve affordable rental housing, as well as associated policies and programs.

Below is an analysis of the scenarios for the 2020 election and the potential impacts to the Housing Credit and other affordable housing policy agendas in Congress and the Administration in 2021.

Regardless of the election results, the AHTCC will continue its bipartisan work to expand and strengthen the Housing Credit. Each year, we engage with congressional offices and leaders, and participate in roundtables and regulatory conversations with agencies including the Treasury Department, Department of Housing and Urban Development, and the Federal Housing Finance Agency to ensure that the affordable housing community is well-represented.

[Learn more about our priorities here.](#)



**AFFORDABLE
HOUSING
TAX CREDIT
COALITION**

The Affordable Housing Tax Credit Coalition is a trade organization of housing professionals who advocate in support of the Low-Income Housing Tax Credit.

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PRESIDENTIAL CANDIDATES

Below is a brief summary of key points from President Trump’s stated priorities and Vice President Biden’s campaign platform, as they related to the Housing Credit and associated policies.

PRESIDENT DONALD TRUMP (See Trump Second Term Agenda)		VICE PRESIDENT JOE BIDEN (See Biden Housing Plan)
<ul style="list-style-type: none"> Has not taken a position on the Housing Credit, though Treasury Secretary Steven Mnuchin has expressed willingness to work with Congress on the minimum 4 percent rate 	<p style="text-align: center;">HOUSING CREDIT</p>	<ul style="list-style-type: none"> Strengthen and expand the Housing Credit with a \$10 billion investment, and “ensure that urban, suburban, and rural areas all benefit from the credit”
<ul style="list-style-type: none"> Treasury Secretary Stephen Mnuchin urged Congress to provide rental assistance to accompany the Centers for Disease Control and Prevention’s eviction moratorium Likely to continue to propose significant cuts to HUD budget, including elimination of many programs Reduce regulatory barriers to affordable housing in accordance with his 2019 Executive Order Continue to oppose efforts to reinstate the Obama Administration’s Affirmatively Furthering Fair Housing Rule Continue to expand HUD’s Rental Assistance Demonstration program Continue efforts to recapitalize and reform the Government Sponsored Enterprises and release Fannie and Freddie from conservatorship 	<p style="text-align: center;">OTHER AFFORDABLE HOUSING POLICIES</p>	<ul style="list-style-type: none"> Provide Section 8 housing vouchers to every eligible family Create a new renters’ tax credit Establish a \$100 billion Affordable Housing Fund Enact Neighborhood Homes Investment Act to incentivize development and rehabilitation of single-family homes in distressed neighborhoods Put in place eviction protections and associated resources Re-implement Obama Administration’s Affirmatively Furthering Fair Housing Rule Increase funding for Community Development Financial Institutions and Community Development Block Grants Require Davis-Bacon prevailing wages for infrastructure projects
<ul style="list-style-type: none"> Continue tax cuts from Tax Cuts and Jobs Act along with additional tax cuts 	<p style="text-align: center;">TAX POLICIES IMPACTING AFFORDABLE HOUSING</p>	<ul style="list-style-type: none"> Increase corporate tax rate from 21 to 28 percent, which could create upward pressure on Housing Credit pricing, though such pressure could be mitigated by other factors
<ul style="list-style-type: none"> Office of the Comptroller of the Currency’s final rule, issued May 2020, slated to go into effect in 2023 for larger banks and 2024 for smaller banks, could decrease affordable housing investment Federal Reserve recently issued Advance Notice of Proposed Rulemaking, which differs significantly from the OCC’s final rule but may provide an opportunity for future compromise among regulators 	<p style="text-align: center;">COMMUNITY REINVESTMENT ACT REFORM</p>	<ul style="list-style-type: none"> Likely to reverse the OCC’s final rule and appoint a new Comptroller of the Currency to head the OCC Strengthen and expand CRA, potentially in line with the Federal Reserve’s approach proposed in September 2020



SENATE ELECTION OUTCOMES

Below is a brief summary of Housing Credit and associated affordable housing policies we would expect Republicans or Democrats to support upon maintaining or gaining, respectively, a majority in the Senate.

REPUBLICAN-MAJORITY SENATE		DEMOCRATIC-MAJORITY SENATE
<ul style="list-style-type: none"> The Affordable Housing Credit Improvement Act (AHCIA), legislation to expand and strengthen Housing Credit, currently has support of 11 Republicans, led by Sen. Young (R-IN), and is expected to be reintroduced next year 	<p>HOUSING CREDIT</p>	<ul style="list-style-type: none"> The AHCIA has support of 29 Democrats, led by Sen. Maria Cantwell (D-WA), and is expected to be reintroduced next year Standalone legislation from Sen. Cantwell and Senate Finance Committee Ranking Member Ron Wyden (D-OR)– the Emergency Affordable Housing Act – includes Housing Credit expansion, minimum 4% rate and a dozen other Housing Credit provisions Senate Democratic leadership’s Economic Justice Act to invest in communities of color includes minimum 4% Housing Credit rate
<ul style="list-style-type: none"> Senate Republicans are likely to continue supporting Trump Administration efforts to reduce regulatory barriers Senate Republicans proposed \$2.2 billion for Tenant Based Rental Assistance and \$1 billion for the Public Housing Operating Fund as part of COVID relief 	<p>OTHER AFFORDABLE HOUSING POLICIES</p>	<ul style="list-style-type: none"> Senate Democratic leadership’s Economic Justice Act includes broad investment in affordable housing beyond the Housing Credit, including rental assistance and the creation of a renters tax credit, and is likely to be a continued focus The Emergency Rental Assistance and Rental Market Stabilization Act, which has the support of almost the entire Senate Democratic caucus, would authorize \$100 billion in emergency rental assistance as part of COVID relief
<ul style="list-style-type: none"> Senate Republicans support continuation of tax cuts from Tax Cuts and Jobs Act 	<p>TAX POLICIES IMPACTING AFFORDABLE HOUSING</p>	<ul style="list-style-type: none"> Senate Democrats open to raising corporate tax rates and individual tax rates on high-income taxpayers
<ul style="list-style-type: none"> Senate Republicans generally support OCC’s approach to CRA reform 	<p>COMMUNITY REINVESTMENT ACT REFORM</p>	<ul style="list-style-type: none"> Many Senate Democrats have expressed opposition to the OCC’s approach to CRA reform
<ul style="list-style-type: none"> Senate Majority Leader Mitch McConnell (R-KY) has not taken a position on the Housing Credit Sen. Crapo, expected to replace Sen. Grassley (R-IA) as lead Republican on Senate Finance Committee, is steeped in housing issues from his time as Chairman of the Senate Banking Committee (where he focused on housing finance reform), and is a supporter of the Housing Credit 	<p>LEADERSHIP</p>	<ul style="list-style-type: none"> Senate Minority Leader Chuck Schumer (D-NY) strongly supports the Housing Credit, including expanding the program and setting a minimum 4% rate Senate Finance Committee Ranking Member Wyden is an affordable housing champion, having been an original co-sponsor of the AHCIA with Sen. Cantwell, as well as standalone legislation to expand and strengthen the Housing Credit as part of the COVID-19 response. He has also introduced other affordable housing initiatives such as a Middle-Income Housing Tax Credit and a First Time Homebuyer Tax Credit



HOUSE ELECTION OUTCOMES

Below is a brief summary of Housing Credit and associated affordable housing policies we would expect Republicans or Democrats to support upon gaining or maintaining, respectively, a majority in the House of Representatives.

REPUBLICAN-MAJORITY HOUSE		DEMOCRATIC-MAJORITY HOUSE
<ul style="list-style-type: none"> The AHCIA currently has support of 76 House Republicans, led by Rep. Jackie Walorski (R-IN), and is expected to be reintroduced next year 44 Republicans signed bipartisan House letter to leadership calling for Housing Credit provisions in the next COVID relief bill 	HOUSING CREDIT	<ul style="list-style-type: none"> The AHCIA has support of 147 House Democrats, led by Rep. Suzan DelBene (D-WA), and is expected to be reintroduced next year 59 Democrats signed bipartisan House letter to leadership calling for Housing Credit provisions in the next COVID relief bill Moving Forward Act (HR 2), which passed the House in July, includes Housing Credit expansion, minimum 4 percent rate and a dozen other Housing Credit provisions, as well as increase in Private Activity Bond cap
<ul style="list-style-type: none"> House Republicans support expanding HUD's Rental Assistance Demonstration program 	OTHER AFFORDABLE HOUSING POLICIES	<ul style="list-style-type: none"> House Democrats have approved more than \$200 billion in additional housing resources to address COVID crisis, such as \$100 billion in rental assistance, \$70 billion for public housing, and \$5 billion for HOME
<ul style="list-style-type: none"> House Republicans support continuation of tax cuts from Tax Cuts and Jobs Act 	TAX POLICIES IMPACTING AFFORDABLE HOUSING	<ul style="list-style-type: none"> House Democrats open to increasing corporate tax rate
<ul style="list-style-type: none"> House Republicans generally support OCC's approach to CRA 	COMMUNITY REINVESTMENT ACT REFORM	<ul style="list-style-type: none"> House Democrats, led by Chairwoman Maxine Waters, strongly opposed to OCC's CRA reform rule and voted to block its implementation
<ul style="list-style-type: none"> House Minority Leader Kevin McCarthy (R-CA) and House Ways and Means Committee Ranking Member Kevin Brady (R-TX) have not taken public positions on the Housing Credit, but the 2017 House Republican tax reform blueprint proposed retaining the Housing Credit and eliminating Private Activity Bonds. 	LEADERSHIP	<ul style="list-style-type: none"> House Speaker Nancy Pelosi (D-CA) strongly supports the Housing Credit, including expanding the program and setting a minimum 4 percent rate House Ways and Means Committee Chairman Richie Neal (D-MA) is a strong supporter of the Housing Credit, and previously served as House Democratic lead on Housing Credit legislation



WHAT TO EXPECT POST-ELECTION: FOUR SCENARIOS

As most political analysts have suggested that Democrats will retain control of the House, below are possible priorities and areas of compromise under four different scenarios – A Trump or Biden presidency and, for each, Democrat- or Republican-controlled Senate.

TRUMP WINS		BIDEN WINS
<ul style="list-style-type: none"> Legislative gridlock likely to continue, but Trump Administration may be willing to compromise with Democrats on infrastructure and COVID-19 stimulus legislation Together with House and Senate Democratic Leadership, Sen. Wyden, as Chairman of Senate Finance Committee, along with Chairman Neal, may be able to find areas of compromise around bipartisan proposals like the AHCIA and increasing Private Activity Bonds OCC's CRA rule to remain on track for implementation, though it will face strong congressional opposition; unclear if other CRA regulators will come to agreement on a joint rule 	<p>DEMOCRATIC SENATE CONTROL</p>	<ul style="list-style-type: none"> Large investments in infrastructure and housing likely – Housing Credit, Private Activity Bond, rental assistance, and other housing program expansion all on the table Significant increases to HUD budget likely Corporate tax rate likely to increase, potentially up to 28 percent OCC's CRA rule likely overturned Together with House and Senate Democratic Leadership, Sen. Wyden, as Chairman of Senate Finance Committee, has a housing agenda that is consistent with President Biden and Chairman Neal's, and primed for advancement in 2021
<ul style="list-style-type: none"> Legislative gridlock likely to continue; as we have seen, there have been limited areas of compromise between a Democratic House and Republican Senate and Administration To the extent there are appropriate legislative vehicles, Sen. Crapo, as Chairman of the Senate Finance Committee, may find agreement with House Ways and Means Chairman Neal and the Trump Administration around bipartisan policies from the AHCIA and other policies to strengthen the Housing Credit OCC's CRA rule to remain on track for implementation; unclear if other CRA regulators will come to agreement on a joint rule 	<p>REPUBLICAN SENATE CONTROL</p>	<ul style="list-style-type: none"> Legislative gridlock likely to continue, with Senate unlikely to be willing to provide funding for Democratic priorities To the extent there are appropriate legislative vehicles, Sen. Crapo, as Chairman of the Senate Finance Committee, may find agreement with House Ways and Means Chairman Neal and the Biden Administration around bipartisan policies from the AHCIA and other policies to strengthen the Housing Credit OCC's CRA rule likely overturned by executive action