

Appropriations

With the fiscal year-end deadline fast approaching on midnight, September 30, Congress continues to struggle with its FY2008 appropriations bills. While the House completed all of its bills before the August recess, and the Senate quickly completed the Transportation-Housing and Urban Development (THUD) spending bill this week—the fourth bill passed by the Senate—no appropriations measures have gone to conference, and many are facing veto threats from the White House as a result of the president’s concern with “over-spending,” including the THUD bill, which funds the federal government’s housing programs.

With completion of the appropriations process impossible by September 30, House and Senate leadership have begun to discuss the timing of a Continuing Resolution (CR), which is at this point expected to be considered starting the week of September 24. The House and Senate appear to have differing opinions over the duration of a CR, with House Democrats hoping for a six-week measure—running until November 9—and the Senate Democrats arguing for a longer period, perhaps into December. Such a move would be a departure from previous years when leadership has attempted to hold appropriators’ and lawmakers’ “feet to the fire” by passing only short term CRs, in an effort to keep the pressure on to get the bills done. Because 2007 is not an election year, many lawmakers will not feel unyielding pressure to get out of town to campaign, and in fact, the Senate has already indicated that it plans on being in session well into December.

It is likely to take several weeks to complete the appropriations bills once they are all in conference. The president has issued veto threats against most of the appropriations bills this year, citing the over \$20 billion in “over-spending” in the bills—proposed congressional appropriations above what the president requested in his budget last February. Rumors still persist that lawmakers will not send any individual spending bills to the president this year for his signature/veto. Instead, they will bundle all of the bills together at the outset into one, massive omnibus bill, effectively daring the president to veto the entire federal budget in one swipe of the pen.

As mentioned, the Senate did pass its FY2008 THUD bill this week, working quickly in a truncated legislative week to move the bill forward with a vote of 88-7 on Wednesday. Of particular interest to many NAHB members are the funding levels for several key housing programs:

THUD	9/12/2007
HUD, overall	\$38.75 billion
HOME program	\$1.970 billion
HOME formula grants	\$1.8 billion
Downpayment Assistance Program	\$25 million
Community Development Fund	\$4.060 billion
CDBG formula grants	\$3.77 billion
CDBF Section 108 loans	\$6 million
PATH Sec 205 exemption	\$0, eliminated
Policy Dev and Research overall	\$59 million

Section 8 tenant-based vouchers	\$16.598 billion
Section 8 project based vouchers	\$5.976 billion
Section 8 incremental vouchers	\$0
Section 8 formula	12 month
HOPE VI	\$100 million
Rural Housing Econ Development	\$17 million
Housing Counseling Assistance	\$150 million
Brownfields Redevelopment	\$10 million
OFHEO	\$66 million
FHA Multifamily Loan Commitments	\$45 billion
FHA Overall Commitment Authority	\$185 billion

During floor debate, several amendments were considered to the Transportation section of the bill. However, of note among the few amendments dealing with the HUD portion, Senator Robert Menendez (D-NJ) offered an amendment, which was accepted by voice vote, to provide additional funding to the HUD Secretary to implement guidance in connection with assisting persons with limited English proficiency and to provide for an offset of such increase. The amendment provides \$380,000 “for the creation and promotion of translated materials and other programs that support the assistance of persons with limited English proficiency in utilizing the services provided by the Department of Housing and Urban Development.”

Additionally, Senator Mel Martinez (R-FL) offered an amendment that was also accepted by voice vote, which adds \$25 million back into the American Dream Downpayment Act. This account had been funded at \$0 in the original Senate version passed by the Senate Appropriations Committee.

With the completion of Senate consideration, conferees were named for the THUD appropriations conference committee, although no meetings of the conference committee have been scheduled.