



New Administration, New Congress to Change Policy Outlook in Coming Years

By Michael J. Novogradac, CPA

January 2001 marks several new beginnings inside the Beltway, namely a new presidential administration and new Congress. These events will have significant effects on the outlook of affordable housing policy over the next several years.

A new Bush administration will mean a new chief executive of the U.S. Department of Housing and Urban Development (HUD). As the LIHC Monthly Report went to press, President-elect George W. Bush (R) was expected to nominate Mel Martinez as the secretary of HUD. Martinez, who holds a B.A. and J.D. from Florida State University, serves as chairman of Orange County, Fla. Martinez co-chaired Bush's presidential campaign in Florida. The 106th Congress passed and President Clinton signed a last minute \$25 billion tax bill that included an incremental increase to the LIHC and private activity bond caps (See related story on page 1). A Bush administration will likely place a greater emphasis on fostering homeownership, although he has voiced support for affordable multifamily rental production programs such as the LIHC. In the newly-elected 107th Congress, the GOP only holds a 211-to-200 edge in the House, plus two Independents. The GOP and Democrats each hold 50 seats in the Senate. However, Vice President Richard Cheney (R) will have the tie-breaking vote. It is widely believed that the new Senate Finance Committee Chairman will be Sen. Charles Grassley (R-Iowa), replacing former Sen. William Roth (R-Del.), who lost his seat. Possible successors to former House Ways and Means Committee Chair, Rep. Bill Archer (R-Texas) are Rep. Phil Crane (R-Ill.) and Rep. Bill Thomas (R-Calif.), who have not been particularly favorable to the affordable housing industry.

With the Republicans' razor-thin majority in Congress, some political observers fear that little will get accomplished in the next two years. However, there's reason to believe that affordable housing will continue to receive strong bipartisan support, if not a high policy priority. ❖

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