H.R. 1: ONE BIG BEAUTIFUL BILL ACT AFFORDABLE HOUSING TALKING POINTS

Impacts of Affordable Housing Provisions in H.R. 1

On May 22, the House of Representatives passed the *One Big Beautiful Bill Act* (OBBB). LeadingAge urges NO to vote on OBBB in the Senate. The bill's overall negative impacts on older adults and the aging services ecosystem far outweigh its positives.

Like all reconciliation bills, H.R. 1 impacts spending increases and decreases to mandatory spending programs. The bill would not cut funding provided through the U.S. Department of Housing and Urban Development's (HUD's) annual appropriations bill because HUD's funding is discretionary not mandatory. However, there are provisions in H.R. 1 that will impact older adults served by federal housing assistance programs and providers of affordable housing, if enacted. These include the bill's requirements to work or perform community service, etc., to secure and retain Medicaid, to expand and improve the Low-Income Housing Tax Credit program, and to rescind unobligated funding under the Inflation Reduction Act's Green and Resilient Retrofit Program (GRRP).

Oppose Work Requirements for Housing-Assisted Older Adults

This section of H.R. 1 (*Section 44141: Community engagement requirements*) requires that states implement community engagement requirements on individuals aged 19-64 who are applying for coverage or enrolled through the expansion eligibility pathway. To meet the requirement, individuals must engage in 80 hours/month of work or community service or be enrolled at least part time in an educational program.

Under the bill, states must implement the requirements by December 31, 2026, but they can implement them earlier. States can also require individuals to demonstrate compliance for multiple months preceding their enrollment or redetermination, such as showing they have been working for six months prior to their enrollment and redetermination.

According to the Congressional Budget Office, the bill's work requirement would result in so many people no longer being eligible for Medicaid that it would cause federal Medicaid spending to drop by $344 billion over ten years (2025-2034).

The bill includes mandatory exemptions from community engagement requirements for 14 different populations / situations. The bill does not exempt caregivers serving older adults or people 62 and older.

LeadingAge Recommendation: Exempting People 62-65 Years Old and Caregivers for Older Adults From Community Engagement Requirements

Eligibility for HUD and Rural Housing Service senior housing and eligibility for Social Security all begin at age 62.

LeadingAge asks that the age limit for the imposition of the bill's community engagement requirements be dropped to up to the age of 62 from the bill's current age limit of up to 65 years old. LeadingAge's calculations show that, conservatively, 322,000 HUD-assisted households are between the ages of 62 and 65.[1] Around of two-thirds of HUD-assisted older adults rely on Medicaid for their healthcare. Initial and ongoing paperwork to meet various state community engagement documentation requirements (whether to show work or show an exemption)

[1]Calculations are based on a 2021 HUD report, which relies on data from both the Picture of Subsidized Household and the American Housing Survey. The data sources include information on the following HUD programs: public housing, housing choice vouchers, moderate rehabilitation, project-based Section 8, Rent Supplement/Rental Assistance Payment, Section 236 Preservation Program/Below Market Interest Rate, Section 202 Supportive Housing for the Elderly/Project Rental Assistance Contracts (PRAC), and Section 811 Supportive Housing for Persons with Disabilities/PRAC.

and increased eligibility checks would be highly burdensome and undoubtedly result in reduced access to healthcare.

Support Increases and Improvements to Low Income Housing Tax Credit Program

This section of H.R. 1 (*Section 111108: Modifications to low-income housing credit*) would increase the Low Income Housing Tax Credit (LIHTC) volume cap for 9% properties by 12.5% for four years: calendar years 2026, 2027, 2028, and 2029; lower the bond financing threshold to 25% for 4% LIHTC properties placed in service after December 31, 2025, so long as the bonds financing the project have an issue date between December 31, 2025, and January 1, 2030; and allow state agencies to provide a basis boost of up to 30% for properties located in rural and Native American areas placed in service after December 31, 2025, and before January 1, 2030.

According to the Joint Committee on Taxation, these LIHTC changes will cost $14.1 billion over 10 years and, according to Novogradac, will result in about 527,000 new or preserved homes.

LeadingAge Recommendation: Expanding and Improving LIHTC

To help address the nation's severe shortage of affordable housing, LeadingAge supports H.R. 1's LIHTC provisions.

Oppose Recission of HUD Housing Preservation Funding

The unobligated GRRP funds proposed to be rescinded by H.R. 1 include the resources that were used to hire the MACs; LeadingAge is working with HUD to ensure the Comprehensive awardees can continue their preservation work absent the MACs. Other GRRP funds rescinded by the bill would have been used to pay for multifamily energy benchmarking and to pay for all of HUD's own GRRP administrative costs.

LeadingAge Recommendation: Recission of Any HUD Housing Preservation Funding

The preservation of existing affordable housing is critical to meeting the needs of older adults with low incomes. HUD's GRRP represents a long-overdue and greatly needed influx of funding to preserve and improve decades-old multifamily housing, more than half of which serves older adult households. Preserving this housing will ensure the stability of these homes, whose older adult residents have average household incomes of less than $16,000 a year. Any loss of this affordable housing will only accelerate the nationwide rise in homelessness among older adults.