What do the Election Results Mean for Housing?

A sitting president who evoked strong passions at both ends of the political spectrum. A persistent virus. A recovering but sluggish economy. Motivated political bases. Record voter turnout. Consistent, durable leads in nationwide and swing-state polls for Democrat Joe Biden that proved to be, once again, inaccurate. All these factors culminated in a long election night and a presidential race that went into overtime until it was finally called for Biden four days after the polls closed. Biden will become the 46th president of the United States after resurrecting the Democratic Midwestern “blue wall” in Michigan, Wisconsin and Pennsylvania by a razor-thin margin. He may also eke out wins in the reliable Republican strongholds of Arizona and Georgia, which have not been called yet.

It wasn’t just the presidential campaign that illustrated how divided the nation is. Though Democrats were expected to flip the Senate and add to their House majority, as the dust settles it appears likely that Republicans will hold onto control of the upper chamber. The tally currently stands at 50 Republican Senate seats to 48 Democratic seats, with two Georgia Senate races headed to a Jan. 5 runoff to determine which party controls the Senate. If Democrats win both seats, they would take control of the Senate, as Vice President-elect Kamala Harris would cast tiebreaking votes in the chamber.

While the majority of the U.S. House of Representatives remained firmly in Democratic hands, as forecast, House Republicans also had an unexpectedly good election night, recapturing some of the suburban seats they lost in 2018. With roughly 10 House seats still to be called, the House GOP appears poised to post a net gain of at least seven seats, thereby narrowing Speaker Nancy Pelosi’s working majority.

NAHB highlighted the important role of housing in the election by honoring “Defenders of Housing;” supporting pro-housing candidates with BUILD-PAC contributions; and endorsing deserving candidates for election. As the 117th Congress is seated in January 2021, and with the Democrats regaining control of the White House, NAHB’s near-term priorities remain passing another coronavirus relief package and ensuring that the lumber, building materials and housing supply chain continue to recover. Longer-term efforts will focus on ensuring a strong economy and creating a regulatory environment that supports housing production. Housing will continue to be the brightest spot of the economic recovery and NAHB will remain true to its mission to ensure that every American can achieve the American Dream of homeownership and have access to affordable rental housing.

Jim Tobin
Executive Vice President
Government Affairs
Democrats Retain the House

With nine races still to be called, Democrats will retain their majority in the House, though Republicans will pick up seats. Prior to the Nov. 3 elections, Democrats held a 232-197 lead, with 1 Libertarian and five vacancies.

A Fight for the Senate

Control of the Senate will hinge on two Georgia Senate runoff races (GOP incumbents Perdue and Loeffler) on Jan. 5, 2021. The Senate breakdown currently stands at 50 Republicans and 48 Democrats. Republicans need to only win one runoff race to secure control of the chamber. Democrats would need a sweep, with the tie-breaking vote of Vice President-elect Kamala Harris. Prior to Nov. 3, Republicans held a 53-47 majority.
## 2019-2020 Election Update

BUILD-PAC, NAHB’s Political Action Committee, helps elect pro-housing, pro-business candidates to Congress and is critical to NAHB’s success on Capitol Hill.

During the 2019-2020 election cycle, BUILD-PAC contributed to 355 U.S. congressional candidates and played in over 100 competitive races. BUILD-PAC was able to accomplish this by holding nearly 100 fundraising events and campaigns across the country, expanding PAC participation within NAHB’s councils and committees, and continuing to grow its high donor clubs.

“BUILD-PAC has accomplished many victories this election cycle despite the impact of a global pandemic,” said 2020 BUILD-PAC Chairman Justin MacDonald. “I am pleased to report that we disbursed nearly $2.8 million to federal candidates and committees across the country. Now more than ever, it is important for us to unite as an industry.”

### Fundraising Successes Across the Country

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<td>Tennessee</td>
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### NAHB Endorsements and Voter and Issues Mobilization

NAHB this year endorsed 159 candidates for the U.S. Senate and the U.S. House of Representatives who have shown a commitment to policies that promote homeownership and rental housing opportunities for all Americans.

Through our Issues Mobilization program, NAHB supported nine Democrats and Republicans running for re-election. In the House, we backed Reps. Emanuel Cleaver (D-Mo.), Jason Crow (D-Colo.), Josh Gottheimer (D-N.J.), Dan Newhouse (R-Wash.) and Norma Torres (D-Calif.). Senate endorsements included Sens. John Cornyn (R-Texas), Steve Daines (R-Mont.), Mitch McConnell (R-Ky.) and Thom Tillis (R-N.C.). Eight of the nine won, with Tillis expected to eke out a win in a neck-and-neck race.

NAHB supported the candidates it endorsed with an intensive voter mobilization effort. This initiative included email messages, direct mail ads and online video content sent to NAHB members in specific states and congressional districts urging them to support and vote for our “Home Builder Heroes.”
Congressional Housing Agenda

With control of the Senate still up for grabs and Democrats retaining the House, below is a snapshot of committees with oversight over key housing issues for the 117th Congress:

**Senate Finance Committee**

Sen. Chuck Grassley (R-Iowa) will step down under Senate rules after six years as chairman, and if Republicans retain control of the Senate, hand the gavel to Sen. Mike Crapo (R-Idaho), who is the outgoing chairman of the Banking Committee. Crapo’s preferred leadership approach is to build bipartisan consensus, which matches well with the approach taken by Sen. Ron Wyden (D-Ore), who will remain as the ranking member. With Democrats retaining control in the House, broad policy breakthroughs are unlikely, but Crapo’s leadership approach may open the door to advancing focused tax priorities.

If Democrats flip the Senate, the roles will be reversed – Wyden will become chairman of the committee and Crapo will be the ranking member. Wyden’s pragmatic approach to dealmaking opens up potential for bipartisan work with Crapo, but the Senate’s progressive members on the far left will make any bipartisan consensus difficult.

**House Ways and Means Committee**

Rep. Richard Neal (D-Mass.) will continue as chairman of the House Ways and Means Committee for the 117th Congress and Rep. Kevin Brady (R-Texas) will remain as ranking member. Neal’s views tend to be more pragmatic even as the House broadly has shifted to the left. This leadership approach may serve him well in finding common ground with the Senate Finance Committee and open the door to advancing legislation that can attract bipartisan support, including a transportation bill and targeted tax bills such as on the Low-Income Housing Tax Credit. Health care reform, which partially falls under the committee’s jurisdiction, is expected to be a major policy focus of House Democrats.

**Senate Banking, Housing and Urban Affairs Committee**

If Republicans retain control of the Senate, Sen. Pat Toomey (R-Pa.) is likely to take the chairman’s gavel. Toomey has been more skeptical of strong government involvement in housing finance, which will make it more difficult to bridge the gap with Sen. Sherrod Brown (D-Ohio), who is expected to remain as ranking member of the committee. Nevertheless, Toomey has publicly made reform of Fannie Mae and Freddie Mac a priority for his chairmanship in 2021, creating an opportunity for NAHB to continue its push for bipartisan legislation to remove the GSEs from conservatorship and cement support for a strong 30-year fixed rate mortgage in statute.

If the Democrats flip the Senate, the roles will be reversed with Brown as chairman and Toomey as ranking member. NAHB will continue to work with both leaders to achieve comprehensive housing finance reform legislation. Regardless of which party takes control of the Senate, seeking solutions to bridge ideological gaps will remain a theme for the committee as it continues to debate COVID-19 rental assistance, reauthorization of the National Flood Insurance Program and other NAHB housing affordability priorities in the New Year.

**House Financial Services Committee**

Rep. Maxine Waters (D-Calif.) will retain the gavel in the full House Financial Services Committee but several Democratic subcommittee chairs may be shuffled as some are vying for the chairmanships of other House committees and one lost their primary election. Rep. Patrick McHenry (R-N.C.) will likely remain as ranking member of the full committee.
Throughout her chairmanship, Waters has focused on a number of progressive housing issues ranging from fair housing enforcement and homelessness, to oversight of the Consumer Financial Protection Bureau and safe lending practices. Waters also supports many of NAHB’s top housing priorities such as a long-term reauthorization of the National Flood Insurance Program, preservation of a strong government role in the housing finance system and an overall focus on housing affordability. If it is not addressed in the upcoming congressional lame-duck session, NAHB expects Waters to quickly press the growing issue of rental assistance funding as part of the next COVID-19 assistance bill in early 2021.

With the nation’s COVID-19 and housing affordability crisis ongoing, NAHB will continue to have a number of housing legislative priorities before the House Financial Services Committee in the new 117th Congress. While ideologically opposite, NAHB is hopeful that Chairwoman Waters and Ranking Member McHenry can find compromise on a number of these priority issues.

**Senate Small Business and Entrepreneurship Committee**

If Republicans retain control of the Senate, Sen. Marco Rubio (R-Fla.) will remain as chairman of the Small Business and Entrepreneurship Committee. Republicans generally favor a smaller stimulus package and it remains to be seen if they will allow 501(c)(6) organizations to access forgivable small business loans under the Paycheck Protection Program (PPP).

If Democrats take the Senate, Sen. Ben Cardin (D-Md.) will become chairman of the committee. Cardin and the Democrats will be eager to move a more generous small business relief title in any COVID-19 relief package early in the new Congress. NAHB will urge the committee to ensure that recovery legislation will help struggling renters with dedicated rental assistance, contain expanded PPP forgiveness measures and allow 501(c)(6) organizations (that include state and local HBAs) to access forgivable small business loans under the PPP. The House Small Business Committee has already passed robust COVID-19 relief packages containing these key measures.

**Senate Environment and Public Works Committee**

If Republicans retain control of the Senate, Sen. Shelley Moore Capito (R-W.Va.) will take the helm of the Senate Environment and Public Works Committee. Republican control benefits NAHB as our environmental policy goals align with the GOP members on the committee. Capito has been a staunch defender of the property rights of private landowners and fought to roll back many of the Obama administration’s harmful policies. Most notably, she helped the Trump administration replace the troubling Obama-era waters of the U.S. rule with the more sensible Navigable Waters Protection Rule.

If the Democrats win control of the Senate, Sen. Tom Carper (D-Del.), who forcefully opposed many of NAHB’s environmental priorities, is in line to take over the gavel of the committee. Carper has criticized the Trump administration’s Navigable Waters Protection Rule and has rejected stakeholder opinion on reforming the Endangered Species Act. The Senate panel will also oversee any transportation and infrastructure legislation, which is a priority of the incoming Biden administration, so it may provide an opportunity to work productively with the White House on this issue.

**House Transportation and Infrastructure Committee**

Rep. Peter DeFazio (D-Ore.) will remain as chairman of the House Transportation and Infrastructure Committee. The committee will be charged with developing transportation and infrastructure legislation, which is a priority of Biden. While both political parties have stressed the need to improve the nation’s transportation and infrastructure, the debate will center on how to pay for this investment. NAHB will fight to ensure that concerning policies such as federal intrusion over local land use, prescriptive building codes or onerous mandates in the name of climate change are not included in a transportation and infrastructure package. Rep. Sam Graves (R-Mo.) will continue to serve as the committee’s ranking member. Graves has been supportive of NAHB’s positions during his tenure in Congress and will continue to advocate for our industry.
Sen. Patty Murray (D-Wash.) is able to secure the chairmanship of the coveted Appropriations Committee. NAHB is concerned that Democrats will drastically swing federal labor policy in the direction of organized labor to include committee action on the NAHB-opposed PRO Act and legislation that would restrict the ability of workers to classify as independent contractors. At the same time, NAHB sees opportunities for meaningful bipartisan work to reauthorize popular workforce and education programs, including the WIOA and HEA.

**House Education and Labor Committee**

Chairman Bobby Scott (D-Va.) will remain at the helm of this committee for the 117th Congress. Under Scott’s leadership, the committee has pushed legislation strongly opposed by NAHB, including the PRO Act, establishment of an unworkable federal heat exposure standard and creation of a sweeping OSHA emergency infectious disease standard. At the same time, NAHB has welcomed the committee’s work to expand federal investment in workforce training and promote career and technical education. NAHB will continue playing defense on the committee’s labor policy but will build on its successful bipartisan work on the reauthorization of critical workforce and education programs that benefit the construction sector.

**Senate Energy and Natural Resources Committee**

If the Republicans keep control of the Senate, Sen. John Barrasso (R-Wyo.) is likely to take the helm of the committee. Barrasso is a strong advocate for the building industry and will work with NAHB to advance energy legislation that will not expand the federal government’s authority over state and local governments’ prerogatives to adopt cost-effective and location-appropriate building codes.

If the Democrats flip the Senate, Sen. Joe Manchin (D-W.Va.) will likely assume the chairman’s gavel. He is expected to pursue a comprehensive energy bill that will focus on efficiency and a clean energy economy. NAHB is working to find a compromise that would promote energy efficiency without federal intrusion into the code development process.

**House Energy and Commerce Committee**

Rep. Frank Pallone (D-N.J.) retains the chairmanship of the House Energy and Commerce Committee. Though he worked positively with Republicans on a number of issues, Pallone supported the House comprehensive energy bill which promoted federal intrusion into the code development process. Reps. Cathy McMorris Rogers (R-Wash.), Mike Burgess (R-Texas) and Bob Latta (R-Ohio) are all jockeying to become ranking member of the committee. NAHB has good relationships with the three candidates, who all supported the association on issues ranging from energy codes to energy efficiency regulations.

**Senate Judiciary Committee**

Former Chairman Chuck Grassley (R-Iowa) has stated he will invoke his seniority to take back the gavel of the Senate Judiciary Committee for another two years if the GOP holds the Senate. Grassley has demonstrated a more hawkish approach to immigration reform than exiting Chairman Lindsey Graham (R-S.C.). Grassley has previously driven legislative efforts to enact a mandatory E-Verify program for employers and he may pursue a proposal that trades a Deferred Action for Childhood Arrivals (DACA) fix for Republican enforcement priorities and funding for border wall construction. However, this approach may face stiff resistance from the Democratically-controlled House.

If Democrats retake the Senate, Sen. Dianne Feinstein (D-Calif.) is expected to take the helm of the committee, though other Democrats could mount a challenge for the chairmanship. Immigration reform will be a top Democratic priority and NAHB sees the opportunity to ensure individuals with DACA designation or Temporary Protected Status whose fate remains uncertain can continue to work legally in construction. NAHB will also work to expand the industry’s access to foreign guest workers to alleviate its long-lasting worker shortage. Democrats are also expected to pursue legislation strongly opposed by NAHB that would prohibit two parties from including in a contract a pre-dispute arbitration agreement.

**House Judiciary Committee**

NAHB will seek to expand its work with the House Judiciary Committee on immigration and criminal justice issues as shared priorities impacting the construction workforce. Under Rep. Jerrold Nadler’s (D-N.Y.) continued chairmanship, the committee will likely prioritize a legislative fix for DACA and the wider undocumented population before pursuing additional reforms to immigrant and nonimmigrant visa programs that could help the construction industry access skilled foreign workers. Additionally, Judiciary Democrats are sure to raise criminal and racial justice issues — including policing and sentencing reform — for consideration early in the 117th Congress.

**Senate Health, Education, Labor and Pensions (HELP) Committee**

If Republicans retain control of the Senate, several senators could jockey for control of the chairmanship, including Richard Burr (R-N.C.), Rand Paul (R-Ky.) and Bill Cassidy (R-La.). Republican HELP leaders are expected to try to reach a bipartisan and bicameral agreement on modernizing the Higher Education Act (HEA) and take up reauthorization of the Workforce Innovation and Opportunity Act (WIOA).

If Democrats win the Senate, Sen. Bernie Sanders (I-Vt.) will take the chairman’s gavel if Sen. Patty Murray (D-Wash.) is able to secure the chairmanship of the coveted Appropriations Committee. NAHB is concerned that Democrats will drastically swing federal labor policy in the direction of organized labor to include committee action on the NAHB-opposed PRO Act and legislation that would restrict the ability of workers to classify as independent contractors. At the same time, NAHB sees opportunities for meaningful bipartisan work to reauthorize popular workforce and education programs, including the WIOA and HEA.
GOVERNORS’ RACES

There were 11 gubernatorial contests on Nov. 3. Republicans were defending seven seats and the Democrats had four seats being contested. The Republicans picked up one new governorship in Montana, leaving the GOP in control of 27 of the governors’ offices while Democrats are in charge of 23 states.

Control of the statehouses is vital because many of the policy battles of importance to the housing community, including environmental and regulatory issues, begin at the local and state level. Moreover, with the reapportionment process taking effect in 2020, the parties that control the governorships can play an influential role in redrawing congressional districts.

STATE LEGISLATURES

Prior to election night, 59 state legislative bodies were held by Republicans and 39 by Democrats (the numbers do not add up to 100 because not every state has a two-house legislature). The number of legislative bodies held by each party may change as final election results roll in across the nation.

BALLOT INITIATIVES

NAHB joined the California Building Industry Association in opposing two ballot measures – Proposition 21, which would enact new rent control in the Golden State; and Proposition 15, which would increase commercial property taxes in the state. Proposition 21 and Proposition 15 both failed.

NAHB also partnered with the Home Builders & Remodelers Association of Maine to oppose a rent control measure in Portland, Maine. The measure passed.