

2020 Elections Analysis

Updated: Nov. 12, 2020 at 3:00 p.m. ET

This document provides a high-level overview of the results of the 2020 elections at the federal, state, and local levels and a deeper analysis of their implications for home affordability and Habitat's work domestically and internationally. This analysis reflects election results that have been made final as of today. You can also view a recording of GRA's [2020 elections outcome webinar](#) held on Nov. 12.

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Executive summary

- State and local advocacy efforts for housing affordability continue to show the greatest promise for policy and advocacy success. Habitat affiliates and state support organizations successfully advocated for several ballot measures at the state and local level that will improve home affordability, provide needed consumer protections and **generate more than \$655 million in new funding for affordable housing**.
- Federal advocacy efforts remain important to sustaining and ensuring housing affordability is prioritized by both parties. Additionally, Habitat's advocacy efforts are critical to ensuring our priorities are included in any housing proposals developed. However, given the high likelihood of a divided Congress, the possibility of significant new housing policy or programs being enacted at the federal level remains uncertain.
- Control of the Senate will remain unresolved until after special elections are held for two Georgia Senate seats. This follow-up election will happen on Jan. 5, 2021.
- Joe Biden is the projected winner of the presidential race. Independent election observers believe this will still be the result after any planned recounts or legal challenges. A new Biden administration and the 117th Congress will clearly be focused on COVID-19 and economic recovery in the near term. Biden is also expected to prioritize issues related to racial equity and climate change and Republicans in Congress will likely focus on small business issues and the national debt. The Biden transition team has identified housing affordability and affordable homeownership as key strategies for advancing racial equity and closing the racial wealth gap.
- A COVID-19 relief package has been in the works in Congress since May and observers are hopeful that with elections over Congress will find a bipartisan compromise by December. However, given the close election and lack of clarity on control of the Senate until January, some are less confident an agreement can be reached before the new year.
- Congress has yet to pass a fiscal year 2021 budget. They have until Dec. 11, but many experts believe they will pass a stopgap measure to fund the government into the start of the 117th Congress early next year.
- A Biden administration will give significant attention and resources to global development issues, but housing issues as a component of foreign assistance will likely remain a low priority within U.S. global development programming.

Federal elections

Democrats and Republicans can both claim important wins in this year's elections. All major outlets have called the presidential election for Joe Biden. Accordingly, we are writing this analysis with the assumption that he is the President-elect. At the same time, Republicans have narrowed the Democratic majority in the House, and control of the Senate remains unresolved until special elections can be held for the two Georgia Senate seats on Jan. 5, 2021.

A Biden presidency and close margins in both the House and Senate have various implications for Habitat's work and home affordability advocacy over the next two-to-four years. These impacts are explored below, followed by additional detail about the federal election results and expected congressional leadership changes.

Implications for home affordability

Presidential support for affordable homeownership, affordable rental housing and racial equity

Biden campaigned with an [extensive plan](#) for increasing home affordability, investing in disinvested communities and closing the racial wealth gap. In multiple public forums and town halls, Biden highlighted his support for a first-time homebuyer's tax credit to help with the down payment for homeownership. Key priorities in his transition plan include:

- Bold investments in homeownership
- Access to affordable housing for Black, Brown and Native families
- Closing the racial wealth gap
- Investing in Black, Latino, and Native American entrepreneurs and communities, and
- Reforming opportunity zones to fulfill their promise.

These plans overlap with many of Habitat's federal policy priorities, especially our interest in:

- Lowering the down payment barrier to ensure all households have a fair chance at homeownership;
- Sparking economic recovery through housing investments that leave no one behind;
- Expanding the availability of Housing Choice Vouchers to promote housing stability and economic mobility for more low-income families;
- Strengthening HOME and other programs that support the construction or repair of affordable rental and homeownership opportunities;
- Improving the Community Reinvestment Act; and
- Advancing other solutions that help close the Black wealth gap.

The continuing need for bipartisan solutions

A likely split Congress – or very thin Democratic control of the House and Senate – further validates the need for bipartisan legislative solutions that Habitat is uniquely positioned to help broker. This climate will likely favor:

- **Tax credits.** Measures that increase home affordability by reducing taxes are likely to fare better than legislation involving major federal expenditures. Proposals supported by Habitat such as a first-time homebuyer's tax credit, the Neighborhood Homes Investment Act, and the Low Income Housing Tax Credit are likely to have the greatest chances of success. President-elect Biden has signaled interest in all three tax credit solutions. Bold initiatives to dramatically expand Housing Choice Vouchers, or to significantly invest in distressed communities, may face headwinds under a split Congress, though it may depend on how they are designed or packaged.
- **Investments in economic recovery.** Economic recovery will be a shared priority for both Democrats and Republicans in Congress and for the Biden administration. A recovery-oriented infrastructure package could present opportunities for housing investments that revitalize deteriorating housing stock in distressed and economically isolated communities and spur affordable homeownership.
- **Investments in economic mobility.** A Florida measure to increase the minimum wage to \$15 prevailed with more than 60% of the vote in 2020. This is just one reminder of the bipartisan support for solutions that help working households move out of poverty and climb up the economic ladder – even when those solutions involve market interventions. This could provide fertile ground for increased investment in affordable homeownership and modest-sized programs that increase the economic mobility and savings of families with rental vouchers.

- **Appropriations for Habitat’s priority federal programs.** Funding support has remained steady or grown slightly over recent budget cycles for existing federal programs like HOME, SHOP, CDBG, Section 4, and USDA 502 and 504. If Congress remains split between Republicans and Democrats, we expect this trend to continue.
- **Eviction and foreclosure prevention.** We would expect Congress to at least renew measures that don’t require spending but still help renters and homeowners keep their homes during the pandemic. A coalition of rental advocates and landlords will also likely build bipartisan support for emergency renter assistance to help renters get caught up on missed rent payments. Under a split Congress, however, legislators may need to see more evidence of foreclosures before committing dollars to preventative solutions like the Housing/Homeowner Assistance Fund supported by Habitat.

Emphasis on administrative solutions

Under split government, the Biden administration may lean heavily on regulatory opportunities for advancing housing priorities and consumer protections. These could include:

- **Opportunity Zone reform.** The Biden transition team has highlighted this as a key strategy for advancing racial equity. Passed in 2017, the Opportunity Zone initiative offers tax breaks to spur investment in high-poverty areas. But the program does not require that these investments benefit existing residents or businesses. Also, Opportunity Zone tax incentives currently do not work well for affordable homeownership. A Treasury Department led by a Biden appointee could spearhead changes to the initiative’s regulations to incentivize investments that provide jobs or other benefits to existing residents or businesses. Furthermore, regulatory changes could help facilitate affordable homeownership by explicitly authorizing investments in funds that purchase the mortgages of affordable homes built in Opportunity Zones.
- **Payday lending restrictions.** On Election Day, Nebraska joined a growing number of states in capping interest rates at 36% for payday lending. As President, Joe Biden would have the power to appoint a new director at the Consumer Financial Protection Bureau to advance similar payday lending protections nationwide. Exorbitant interest rates and predatory small-dollar loans often have a ruinous effect on renters’ credit, making payday lending reform a potentially helpful strategy for improving access to affordable homeownership and economic security for many of the families we serve.
- **Fair housing enforcement.** A Biden administration could undo actions by the previous administration that weakened enforcement of the Fair Housing Act. For example, it could fortify the disparate impact principle in fair housing and/or reinstate the recently terminated rule on Affirmatively Furthering Fair Housing. These changes may take time, however.
- **GSE affordable housing goals.** A Biden-appointed Federal Housing Finance Agency director would be in a position to shape the future of Fannie Mae and Freddie Mac. Among other things, this could affect whether the GSEs retain and strengthen their duty to serve the full housing market and meet affordable housing goals.
- **Strengthening the Community Reinvestment Act.** CRA incentivizes banks to serve low-income homebuyers and communities. Biden could replace the comptroller of the currency that produced the OCC’s weakened CRA rule in 2020. A Biden administration could also encourage all three bank regulators – FDIC, OCC and the Federal Reserve – to adopt unifying, positive reforms to CRA.
- **Repurposing unspent funds from the CARES Act.** A Biden administration could seek to repurpose unspent funds from the COVID-19 relief legislation, including hundreds of billions of dollars that were earmarked for the Paycheck Protection Program but were never allocated before a congressional deadline ended the program.

Impacts on the congressional “lame duck” session

Before fiscal year 2020 ended on Sept. 30, Congress passed a continuing resolution to fund the government until Dec. 11, 2020. Due to the election results, it is now likely that Congress will pass a CR to fund the government into calendar year 2021, after which the 117th Congress would pass spending bills to fund the government through the remainder of FY2021.

Conversely, the close elections and lack of clarity on control of the Senate until January may diminish prospects of bipartisan compromise on a COVID-19 relief package before the new year.

Implications for global development and housing

With operations in nearly 70 countries, HFHI recognizes the value of the U.S. government's leadership in foreign assistance. A Biden presidency is expected to engage in global issues, with a focus on multilateralism and alliance building.

Across the federal government, it is anticipated that there will remain broad support for international assistance priorities. Moreover, advocacy toward Congress by the international NGO community on foreign assistance spending by the U.S. government will likely evolve beyond the request to maintain minimum spending in the foreign assistance accounts, which has been the priority since 2016. Yet, while it is expected a Biden administration will allocate more attention and resources to global development issues, housing issues will likely remain a low priority within U.S. global development programming.

Climate change will be a significant driver for the way in which the Biden administration engages with partners around the world. As the foreign assistance priorities of the new government evolve, there is recognition that additional global priorities including gender, migration, governance and human rights, will also drive development and humanitarian assistance priorities for the State Department and USAID.

Additional details about federal elections results

Presidential results

As of this writing, Joe Biden is projected to receive at least 290 electoral votes. It takes 270 electoral votes to win the White House. All independent election observers believe Biden will still have won after recounts or potential legal challenges are resolved.

President-elect Biden has moved forward with transition plans, including efforts to identify key policymakers in his administration. Earlier this week, he announced his coronavirus task force and he has released his transition team members, including those that will be working on housing. Kiesha Lance Bottoms, mayor of Atlanta, Diane Yentel, CEO of the National Low Income Housing Coalition, Maurice Jones, CEO of LIHC and a few others are rumored to be among the top picks for United States Secretary of Housing and Urban Development.

Senate results

A total of 35 Senate seats were up for election (12 Democrats and 23 Republicans). Prior to the elections, Republicans held the Senate majority with 53 seats, while the Democrats held 47 seats (including two independents). Presently, Republicans still hold the edge at 50-48, following recent projections that both Senator Tom Tillis (R-NC) and Senator Dan Sullivan (R-AK) will win re-election.

The remaining Senate seats up for grabs are the two seats in Georgia. Each will be decided through a runoff election on Jan. 5, 2021. Current Senator David Perdue (R-GA) will face off against Jon Ossoff, while current Senator Kelly Loeffler (R-GA) will compete against Raphael Warnock.

House results

Democrats will maintain their majority in the House of Representatives, which they have held since the 2018 elections. However, this majority has narrowed. Heading into the elections, the makeup of the House of Representatives was 232 Democrats, 197 Republicans, 1 Libertarian, and 5 vacancies. At present time, Democrats are leading Republicans 218-202 for the 117th Congress. It takes 218 seats to control the chamber. Fifteen races remain undecided or too close to call.

Thus far, Democrats have flipped 3 seats and Republicans have flipped 9 seats, totaling a net gain of 6 seats for Republicans. Republicans flipped their 9 seats in California, Florida (2 seats), Iowa, Michigan, Minnesota, New Mexico, Oklahoma and South Carolina. Democrats flipped 2 seats in North Carolina that were vacated by Republican incumbents and one seat in Georgia. A notable incumbent that was unseated was Representative Collin Peterson (D-MN) who has been in office since 1991 and currently chairs the House Agriculture Committee.

As a result of the shift, a smaller Democratic majority will likely make it tougher for House Speaker Pelosi to unite her lawmakers as a handful of progressive freshmen arrive for the new Congress.

Committee assignments

Due to retirements, losses and term limits, we will see some changes in committee leadership for the 117th Congress. For Habitat's key priority committees, most Chairs and Ranking Members for these committees, and key subcommittees under them, are expected to stay in place. Given this continuity, GRA will build on and cultivate our existing relationships with the key members that serve on these committees to advocate for our priority issues.

Changes are expected for the following positions:

- House Appropriations Chair – Due to the retirement of Rep. Nita Lowey (D-NY), there are currently three representatives vying for the position. They include Representatives Marcy Kaptur (D-OH), Rosa DeLauro (D-CT) and Debbie Wasserman Schultz (D-FL). GRA has a relationship with each of these offices, so no matter who is deemed Chair, we will be able to leverage our connections to advocate for Habitat's priority appropriations programs.
- House Financial Services Subcommittee on Housing, Community Development and Insurance Chair – The current Chairman Lacy Clay (D-MO) lost his primary race earlier this year. Rep. Emanuel Cleaver (D-MO) is the leading candidate to replace him.
- Senate Banking Committee Chair– Sen. Pat Toomey (R-PA) is expected to take over from the current Chairman Mike Crapo (R-ID)
- Senate Finance Committee Chair – Sen. Mike Crapo (R-ID) is in line to replace current Chairman Chuck Grassley (R-IA).

State and local elections

While there was little change in the balance of power in most state governments, Habitat affiliates and state support organizations successfully advocated for multiple state and local ballot measures that will improve home affordability, provide needed consumer protections and **generate more than \$655 million in new funding for affordable housing**. This suggests a growing trend of local interest and focus on home affordability and related issues. For example, in Raleigh, the \$80 million housing bond backed by Habitat Wake County passed with nearly 80% approval. The results also reflect the network's commitment to meeting housing needs in their communities as well as the power of Habitat's voice.

We review these ballot measures below, followed by more details about the outcomes of state legislature and gubernatorial races.

Ballot measures related to home affordability

On Election Day, multiple state and local ballot measures related to home affordability were put before the public for vote. GRA [tracked more than 20 state and local housing ballot measures in over 10 states](#). Members of the Habitat network engaged in advocacy efforts on at least a dozen of these initiatives. Most passed, demonstrating strong support for home affordability at the local and state level.

Congratulations to all affiliates and state support organizations for your work on ballot initiatives this year!

The following is a run-down of measures on which Habitat affiliates were actively engaged:

- **Atlanta, Georgia: Homestead Exemption – Passed**
Habitat for Humanity Atlanta supported the [Homestead Exemption](#), which proposed a \$30,000 exemption for community land trust homeowners for Atlanta residents. Other homeowners have generally had homestead exemptions, but community land trust homeowners have not.
- **Austin, Texas: Proposition A – Passed**
Habitat for Humanity Austin supported the [2020 Project Connect Tax Rate](#), which would approve the maintenance and operations portion of the city's property tax rate and dedicating 8.75-cents towards the implementation of a comprehensive transit plan including new rail service and ensuring that the initial investment is completed. The plan includes \$300 million in funding to prevent people from getting displaced from their neighborhoods. The money would be used for strategies such as building new affordable homes and providing financial assistance for homeownership.

- Charlotte, North Carolina: 2020 General Obligation Bond – Passed**
Habitat for Humanity of the Charlotte Region supported the [2020 General Obligation Bond](#), which proposed \$50 million in funding for affordable homes and \$44 million for neighborhood improvement.
- Colorado: Proposition EE – Passed**
Habitat for Humanity Colorado supported [Proposition EE](#), which proposed new and increased taxes on tobacco, E-Cigarettes and other nicotine products. While the bulk of the increased tax revenue will be used to support education, \$35 million would be available for housing assistance through 2023. The housing assistance funds will be used to support activities including the renovation of existing homes and the construction of new homes, as well as rental assistance and eviction legal assistance for low-income individuals. Of the amount for housing assistance, \$5 million will be invested in housing development in rural Colorado.
- Denver, Colorado: Ballot Measure 2B – Passed**
Habitat for Humanity Metro Denver supported [Ballot Measure 2B](#), which proposed a 0.25% sales tax increase from 8.31% to 8.56% to raise \$40 million funding for affordable homes and homelessness services.
- East Palo Alto, California: Measure V – Failed**
Habitat for Humanity Greater San Francisco supported an [effort](#) that would have increased the city’s current Transient Occupancy Tax rate of 12%, paid by a person who rents a hotel room, by a 1% increase on Jan. 1, 2022, and another 1% on Jan. 1, 2023, for a total rate of 14%, estimated to raise \$195,000 the first year, and \$390,000 annually thereafter. The tax increase would have funded affordable housing development, acquisition and rehabilitation activities. Receiving 62% of the vote, this measure fell just short of the two-thirds majority needed for approval.
- Georgia: Referendum A – Passed**
Habitat for Humanity Georgia supported [Referendum 2A](#), which proposed that 501(c)(3) registered nonprofits like Habitat for Humanity receive a tax exemption on property for single-family homes that are being built, repaired or leased for the purpose of affordable homeownership.
- King County, Washington: Charter Amendment 2 – Passed**
Habitat for Humanity Seattle-King County supported the [Charter Amendment 2](#), which removes a restriction on transferring, selling or leasing county-owned property for less than fair market value when used for affordable homes.
- Nebraska: Initiative 428 – Passed**
Habitat for Humanity Omaha supported [Initiative 428](#), which proposed a cap of 36% APR on payday lending in the state of Nebraska.
- Raleigh, North Carolina: Housing Bonds Referendum – Passed**
Habitat for Humanity Wake County supported the [Housing Bonds Referendum](#), which proposed \$80 million in funding for affordable homes. The bond will also increase property taxes by \$20.07 a year for an average home valued at \$255,000 and will go into effect in July 2021.
- San Diego, California: Measure A – Failed**
Habitat for Humanity San Diego supported [Measure A](#), which proposed that \$900 million dollars in funding would be used to build 7,500 new homes for vulnerable San Diegans, including people experiencing homelessness, veterans and people with disabilities. While this measure did garner a majority of the vote, it did not secure the two-thirds vote needed for approval.
- San Mateo, California: Measure Y – Failed**
Habitat for Humanity Greater San Francisco opposed an [effort](#) to amend the City of San Mateo’s General Plan to extend the expiration date for voter-enacted policies limiting building heights, residential densities and nonresidential building intensities for 10 years. Affordable housing advocates successfully blocked the passage of this measure that would have made the development of affordable homes harder and more costly.

Key takeaways

- Overall, there were fewer bond initiatives than we would normally see because several local governments chose to strike planned bond initiatives from the ballot because of economic concerns due to the pandemic.

Those that failed may reflect a similar hesitancy to make fiscal commitments during the economic downturn. Notably, both of the unsuccessful ballot measures described above received a majority of the vote but were unable to reach the high threshold of two-thirds approval needed to pass.

- The payday lending victory in Nebraska supported by Habitat Omaha was a noteworthy continuation of a national trend toward reining in small-dollar loans with exorbitant interest rates. Nebraska became the seventeenth state (including Washington, D.C.) to implement a 36% interest rate cap on payday loans. Unable to find success through legislative channels, proponents gathered more than 100,000 signatures to take the issue directly to the voters and prevailed.
- Austin Habitat's support of a transit initiative including \$300 million for displacement mitigation also stands out because of its link to addressing community displacement concerns related to new transit lines. The displacement prevention funds will be used for the development of new affordable housing and financial assistance for affordable homeownership. This could be a promising model for mitigating the risk of spiking home values and the potential displacement of long-term residents that transit expansion carries.

State elections results

More than 5,876 legislative seats were up for grabs in 44 states, and 13 gubernatorial seats were contested in 11 states and 2 territories. State elections are of great consequence because state legislatures and governors are responsible for important policymaking and budgeting on many key issues that affect our daily lives, including home affordability. The outcome of the elections determines whether Democrats or Republicans control each state's policy agenda. State elections take on even greater significance this year because they also determine who will be in control of next year's redistricting process. In most states, legislatures redraw the maps, with the majority party leading the process and the governor holding veto authority.

State legislatures

Party control of state legislatures has largely remained the same. Previously, Republicans held the state legislative majority in 29 states (59%), while Democrats controlled legislatures in 19 states (38%). Only Minnesota had split legislative control. Nebraska has a unicameral legislature that is elected on a nonpartisan basis. Post-elections, only two chambers flipped: Republicans won both New Hampshire's House and Senate. Minnesota remains the only state in the country with a split legislature.

Governors

Nationwide, only one gubernatorial seat flipped, with Montana voters electing the Republican candidate, Greg Gianforte. As a result, 27 of state gubernatorial seats will be held by Republicans and 23 will be held by Democrats starting in 2021.

With very limited change in party control for both state legislatures and gubernatorial seats, housing advocates will be working under similar political conditions at the state level as they have since 2018.