



Legislative Priorities Briefing

NCSHA Policy and Government Affairs Team
NCSHA 2011 Legislative Conference
March 7, 2011



NCSHA 2011 Priorities



- Support a strong housing finance system committed to affordable housing through HFAs
- Support the Housing Credit and Bond programs
- Protect HOME funding
- Protect Section 8 funding
- Capitalize the Housing Trust Fund
- Support affordable housing preservation strategies and resources



General Principles

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- Focus on members of key committees
- Stress priorities under their influence
- Build support for all NCSHA priorities
- Make your requests clear and specific
- Stress economic benefits
- Promise to follow up with requests for more specific action



Support the Housing Credit

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- Stress the importance of the Housing Credit and Bond programs and their benefits in the member's state or district:
 - Job creation
 - Economic recovery
 - Redevelopment
 - State and local revenues
 - Affordable housing
- Urge them to keep these benefits in mind during discussions on tax reform and to protect these important programs in any tax reform legislation.



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Support the Housing Credit

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- Thank them for the Housing Credit Exchange program.
- Let them know that while Credit pricing and availability are improving, continuing the program would help ensure that the Credit can reach hard-to-serve areas and renter populations with special needs.



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Support the Housing Credit

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- NCSHA priorities will further strengthen the Housing Credit and Bond programs to:
 - Ease administration
 - Reach more people and places
 - Attract new investors



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Support the Housing Credit

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- Make permanent the temporary provision fixing the floating “9 percent Credit” at 9 percent.
- Increase access to Housing Credit apartments for working families and extremely low-income families.
- Make the Housing Credit more attractive to investors.



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Support Housing Bonds

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- Make sure they are clear on the difference between government-backed bonds and asset-backed bonds.
- Increase the Mortgage Revenue Bond (MRB) home improvement loan limit to make up for inflation since the current limit was established in 1986.



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FY 2012 Budget Proposal

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- Housing Credit proposals in the Obama Administration's Budget:
 - “Income Averaging” to serve households in greater need and create mixed-income housing.
 - A development could serve families with incomes up to 80% of AMI as long as at least 40% of its units average no more than 60% of AMI.
 - 30% basis boost for 4% bond-financed developments to encourage preservation.



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FY 2012 Budget Proposal

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- Bond proposals in the Obama Administration's Budget:
 - Simplified targeting requirements for MRBs through repeal of purchase price and refinancing limits.
 - Arbitrage rules simplification – repeal yield restriction in most cases and rely on rebate provision as main restriction.



Support the Housing Credit and Bonds

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- Congressional outlook:
 - Tax reform hearings have already begun.
 - Tax reform legislation is not likely in the short term.
 - Individual tax bills may be considered throughout the year and may be rolled into possible omnibus tax legislation later this year.
 - **Tax committees will work on extender bills later this year.**



Support a Strong Housing Finance System

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- NCSHA supports housing finance reform that:
 - Establishes a strong affordable housing mission for the GSEs or their successors;
 - Requires them to engage state HFAs as key partners in its achievement; and
 - Involves government backing to ensure liquidity and affordability.



Support a Strong Housing Finance System

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- The Administration's housing finance paper released February 11:
 - Recommends winding down Fannie Mae and Freddie Mac and reducing the government role in housing finance.
 - Proposes options including privatization, a limited federal guarantee only for crises, and a government reinsurance model.



Support a Strong Housing Finance System

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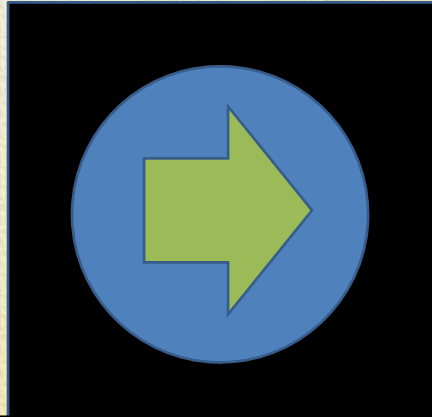
- Congress is holding hearings and reviewing housing finance reform proposals.
- Strong voices exist for:
 - Avoiding any risk of increased government spending;
 - Limiting the availability of capital for mortgages and rental housing; and
 - Preventing excessive cost increases.



Support a Strong Housing Finance System

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- Click to see House Committee leaders give their views on Housing Finance Reform.



Support a Strong Housing Finance System

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- Congressional outlook:
 - Hearings will continue in the House and Senate.
 - Some key members will probably introduce legislation.
 - Enactment of legislation this year is unlikely.



Support a Strong Housing Finance System

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- Tell Congress to:
 - Continue federal backing
 - Advance affordable housing
 - Continue safe and sound low down payment lending options



Protect HOME Funding

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- NCSHA supports:
 - Restoring HOME's purchasing power to at least \$2 billion in FY 2012.
 - Preventing cuts to HOME in FY 2011.



Protect HOME Funding

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- The President's FY 2011 and FY 2012 Budgets propose to cut HOME funding by 10%, from \$1.825 billion in FY 2010 to \$1.65 billion.
- The House-passed long-term CR (H.R. 1) also proposes to cut HOME funding by 10%, compared to FY 2010.
- Negotiations among the House, Senate, and White House are ongoing.



Protect HOME Funding

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- Explain the negative impacts of a 10% cut.
- Tell them how you use the flexibility of HOME to address the unique housing needs of your state.
- Remind them that \$1 of HOME leverages almost \$4 in other funding.
 - So every \$1 of funding cut in the Budget represents a magnified cut on the ground.



Protect Section 8 Funding

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- NCSHA supports:
 - Funding all authorized vouchers and as many new ones as possible.
 - Fully funding Section 8 project-based contract renewals.
 - Providing additional rental assistance to states to reach lower income families.



Protect Section 8 Funding

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- The President's FY 2012 Budget proposes increased funding for vouchers and project-based rental assistance.
- The Budget also includes a Rental Assistance Demonstration, similar to last year's Transforming Rental Assistance (TRA) Initiative.



Protect Section 8 Funding

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- H.R. 1 proposes:
 - A 1% cut to the voucher account, but a 2% increase for renewals.
 - A 9% increase to the project-based account.
 - To provide no funding for new incremental vouchers (for example, HUD-VASH).



Protect Section 8 Funding

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- Tell Congress that rental assistance makes Housing Bond, Housing Credit, HOME, and other rental housing affordable to some of our lowest-income families.
- Explain that many more families are eligible for this assistance than benefit from it.



Capitalize the Housing Trust Fund

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- NCSHA supports:
 - Identifying a dedicated source of funding for the Housing Trust Fund.
 - Providing state administrators operating subsidies to support the lowest income families.



Capitalize the Housing Trust Fund

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- The President's Budget again requests \$1 billion for the Trust Fund.
 - The request is for mandatory spending.
- Senator Reed (D-RI) introduced the Preserving Homes and Communities Act of 2011 on March 4.
 - Would fund the Trust Fund at \$1 billion using proceeds earned under the Emergency Economic Stabilization Act.
 - Similar to bill introduced in the 111th Congress.



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Because
HOME
M E A N S
Everything

