Tips and Talking Points for Hill Meetings

2022 Legislative Conference

This document offers tips for getting the most out of meetings with your congressional delegation and messaging you'll need in those meetings.

Preparing for Meetings

- Reach out to your delegation as soon as you know you will be attending NCSHA's Legislative Conference to arrange your meetings, and at least one or two weeks in advance of your trip. You can find the phone numbers for your representatives here and for your senators here.

- We encourage you to schedule meetings in the afternoon on Tuesday, March 15, and Wednesday, March 16, after the conference programming. However, if those times are inconvenient for your members, set up meetings whenever you can get them.

- Ask if the member is available for the meeting. If they aren't, ask to meet with senior staff who cover the key issues.

- Ask what the office policy is for in-person meetings during the Covid-19 pandemic. Some members may not be meeting with constituents in person in their offices, but members or staff may be willing to meet with you off site. Ask the member's scheduler or the staff person with whom you are working if an off-site location is an option if they are unable to meet in their office.

- Bring leave-behind materials to emphasize the work your agency has done in the district/state. While NCSHA will provide communications materials, the most important materials are state specific.

- If you wish to discuss a particular bill, know its name, number, and lead sponsors. It is also good to know other cosponsors, especially cosponsors in your delegation.

- Make "the ask." Be sure to let your member know what you need them to do to advance HFA affordable housing priorities. Be clear, specific, and direct.

- Education is key to effective advocacy. If you are meeting with a member with whom you haven't met before or a new staff person, make sure they understand your agency's role in your state's affordable housing system. Avoid acronyms, jargon, and lingo with which they may not be familiar.

- Be prepared to discuss how your agency has assisted residents of your state with housing needs during the pandemic. Even if your agency has not directly administered programs including Emergency Rental Assistance and the Homeowner Assistance Fund, be ready to answer basic questions about the outcomes and status of those programs.

- On the day of your meeting, keep an eye on your cellphone and/or email: Unplanned, last-minute activity on the Hill could delay your meeting.

Photos and Social Media

- Request permission when you schedule, or at the start of, your meeting to take a couple of photos with the member or in their office. Graciously defer to their policies and practices around social distancing.

- Share those images on social media, expressing thanks to the member for meeting, and tag the member's office in the post. (Check out these HFA examples from previous LegCons.)

- When tweeting during NCSHA's Legislative Conference:
  - ➔ Mention (@) your members of Congress, @[YourHFA], and @NCSHAhome.
  - ➔ Include our hashtag: #HFAsOnTheHill

- If you email your meeting photos to lbowman@ncsha.org, NCSHA will share them on social media, broadening their reach and impact.

Following Up After the Meeting

- Follow up after the meeting with a thank-you email. Express appreciation for the member or staffer's time and reiterate your main points.

- Briefly go over your priorities and repeat your main requests. If the member or staffer requested additional information, supply it in an easy-to-understand manner. If applicable, share links to relevant FAQs and fact sheets on issues discussed during the meeting.

- Searchable PDFs are valued by staffers. This format allows the user to zero in on specific concepts using key words.

- Send a short, handwritten thank-you note and enclose your business card. We have it on good authority that members and staffers appreciate those notes!

Key Committees

Members who serve on key committees are best positioned to advance specific priorities. Know on which committees your members serve so you can hone your messages to them. If you have a large delegation, prioritize meetings with those who serve on committees with jurisdiction over affordable housing issues, and focus your discussion on the issues their committee(s) cover.

The most influential congressional committees for affordable housing are:

- **Senate Finance and House Ways and Means Committees.** These committees have jurisdiction over all tax-related issues including the Low Income Housing Tax Credit (Housing Credit) and tax-exempt private activity bonds.

- **Senate Banking, Housing, and Urban Affairs and House Financial Services Committees.** These committees have jurisdiction over all policy related to programs of the Department of Housing and Urban Development, including the HOME Investment Partnerships program, the Housing Trust Fund, and Section 8. They also oversee the Federal Housing Administration and the housing Government-Sponsored Enterprises, including Fannie Mae, Freddie Mac, Ginnie Mae, and the Federal Home Loan Banks.

- **Senate Appropriations and House Appropriations Committees.** These committees have jurisdiction over all issues related to program funding. In particular, members of the House and Senate Appropriations Subcommittees on Transportation, Housing and Urban Development, and Related Agencies (THUD) have jurisdiction over HUD program spending, and members of the House and Senate Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies have jurisdiction over funding for Department of Agriculture rural housing programs.

Housing Credit and Multifamily Bonds: 2022 Talking Points

Who: All members of Congress, with special focus on members of the Senate Finance and House Ways and Means Committees

The Ask:

- Ask all members of Congress to communicate to leadership and the White House their support for increased resources for the Housing Credit program, including through increasing the cap on Housing Credit authority and lowering the "bond financing threshold" from 50 to 25 percent to maximize the efficacy of multifamily bond resources in conjunction with the Housing Credit.

  To Democrats in Congress only: Tell them if Congress resumes its work on a revised version of the president's Build Back Better agenda, that bill should still include a Housing Credit cap increase and a lower bond financing threshold.

- Remind members the Housing Credit suffered a substantial cut in 2022, as the 12.5 percent cap increase put in place in 2018 expired at the end of 2021. Urge them to restore this cut in resources this year.

- Ask all members of Congress who have not done so already to cosponsor the bipartisan Affordable Housing Credit Improvement Act (S. 1136/H.R. 2573) which would expand and strengthen the Housing Credit and allow for more efficient use of private activity bond authority. It is especially important to get support from Senate Finance and House Ways and Means Committee members and from more Republicans on and off the key committees for this legislation.

Key Points:

- **High housing costs are a major driver of inflation, contributing approximately 33 percent to the rise in prices according to the Consumer Price Index for January 2022.** The cost of renting an apartment is skyrocketing across the nation, with an average increase of 13.5 percent in the last year.[1] A primary reason for this increase is the imbalance between the supply of rental housing and demand for it.

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[1] Washington Post, "If policymakers are serious about tackling inflation, they need to address soaring housing costs," 2021.

- **The Housing Credit and Multifamily Bonds are vital tools for addressing the rental housing crisis.** There is currently a shortage of more than 7 million affordable rental units for extremely low-income (ELI) renters, with only 37 affordable and available units for every 100 ELI renter households nationwide, and 70 percent of ELI renters are spending more than half of their income on housing.[2]

- Unlike many other tax expenditures, which subsidize activity that would occur at some level without a tax benefit, **virtually no affordable rental housing development would occur without the Housing Credit and Housing Bonds.** Housing simply costs too much to build for owners to charge rents that are affordable to low-income households.

- **The Housing Credit and Housing Bond programs have a unique, market-based structure that transfers the real estate risk from the taxpayer to the private-sector investor.** In the rare event that a property falls out of compliance at any time during the first 15 years after it is placed in service, the Internal Revenue Service is able to recapture tax credits from the investor. Thus, investors have an incentive to ensure that properties adhere to all program rules, including affordability restrictions and high-quality standards.

- **The Housing Credit and Housing Bond programs require only limited federal bureaucracy because Congress delegated its administration and decision-making authority to state governments.** State housing finance agencies (HFAs), which administer the Credit in nearly every state, have statewide perspective, a deep understanding of the needs of their local markets, and sophisticated finance, underwriting, and asset management capacity.

- **The National Association of Home Builders estimates** that, in a typical year, the Housing Credit program generates approximately $3.5 billion in federal, state, and local taxes; $9.1 billion in economic income from wages and business income; and 95,700 jobs across various U.S. industries.[3]

[2] National Low Income Housing Coalition, *The Gap: A Shortage of Affordable Homes 2021*.

[3] National Association of Home Builders, *Eye on Housing, The Economic Impact of the Affordable Housing Credit*, 2014.

- With strict state agency underwriting standards, stringent compliance requirements, and due diligence from the private sector, **the inventory of Housing Credit properties, including those with Housing Bond financing, has an outstanding performance track record according to all commonly used real estate metrics.** Only 0.57 percent of Housing Credit developments have undergone foreclosure, an unparalleled record compared to market-rate multifamily properties and all other real estate classes.[4]

[4] CohnReznick, *Affordable Housing Credit Study*, 2021.

Coronavirus State and Local Fiscal Recovery Fund: 2022 Talking Points

Who: All members of Congress, with special focus on members of the Senate Finance and House Oversight and Reform Committees.

The Ask:

- Ask members of Congress to support amending the Social Security Act, of which SLFRF is part, to allow states and localities to make long-term loans to Housing Credit properties using SLFRF funds.

Key Points:

- **While the SLFRF statute and Treasury rules allow use of funds for affordable housing, there are significant challenges.** Nearly all affordable rental housing built and preserved today relies heavily on Low Income Housing Tax Credit (Housing Credit) equity. But Housing Credit equity alone typically is not enough to finance developments, which also rely on soft financing sources as "gap filler" to reduce the hard debt and allow rents to be affordable to low-income households. SLFRF could be a critical source of financing state Housing Credit agencies could pair with Housing Credit equity to get these deals done.

- **Current Treasury rules require that funds must be obligated by December 31, 2024, and expended by December 31, 2026.** This means SLFRF money effectively cannot be used as long-term loans to serve as gap financing for Housing Credit developments. Instead, as a practical matter, the funds must be expended as grants.

- **There are major impediments to the use of any federal grant in Housing Credit development that make using SLFRF in this manner extremely inefficient.** First, federal grants reduce "eligible basis" in Housing Credit developments — essentially the amount of Housing Credit equity a project is eligible for is reduced proportionally when a grant is used as part of the financing. This negates the benefits of using these two resources together. Second, for-profit developers receiving a grant typically need to treat that money as taxable income, which is often an insurmountable disincentive for a public-private partnership program like the Housing Credit. For this reason, gap filler sources are almost always provided as low- or no-interest long-term loans with flexible repayment terms.

- **The pandemic has created new challenges in affordable housing development.** Supply chain disruptions, workforce shortages, and rising prices of construction-related commodities are all driving up development costs. There simply are not enough soft funding resources available to fill the gaps, and Housing Credit properties in the pipeline are suddenly no longer economically feasible.

- **As of February 2022, approximately half of the states have dedicated or proposed SLFRF for affordable housing use, mostly through state housing finance agencies.** Overall, we estimate current commitments represent as much as $8 billion in affordable housing investment. The vast majority of these states have specified some or all of those funds for use in Housing Credit development as a source of gap financing to cover the pandemic-related cost increases. In addition to these state commitments, there are many local governments with SLFRF dedicated or proposed for affordable housing development.

- **Demand for affordable housing significantly outstrips supply, and has for some time.** But this supply challenge has never been more acute than it has since the beginning of the pandemic. With housing inflation driving overall inflation, and costs increasing far faster than incomes for so many families, we desperately need more supply, making Housing Credit production more important than ever. But without SLFRF, much of this production will not occur.

Neighborhood Homes Credit: 2022 Talking Points

Who: All members of Congress, with special focus on members of the Senate Finance and House Ways and Means Committees.

The Ask:

- Urge Congress to pass tax legislation that would enact the proposed Neighborhood Investment Credit and convey their support for this program to congressional leadership and the White House.

- To Democrats in Congress only: Tell them if Congress resumes its work on a revised version of the president's Build Back Better agenda, that bill should still include enactment of the Neighborhood Homes Credit.

- Ask all members of Congress who have not done so already to cosponsor the bipartisan Neighborhood Homes Investment Act (S. 92/H.R. 2143), which would authorize this needed program, allowing for the new construction and substantial rehabilitation of affordable, owner-occupied housing in distressed urban, suburban, and rural neighborhoods.

Key Points:

- **America is currently facing a crucial shortage of affordable ownership housing**, making it exceedingly difficult for working families to purchase homes and realize the enormous economic gains that come with homeownership.

- Exacerbating this issue are neighborhoods in every state in which **homes are in poor condition and property values are too low to support new construction or substantial renovation.** The lack of move-in-ready homes makes it difficult to attract or retain home buyers, causing property values to decline.

- **The Neighborhood Homes Credit would help break this cycle** by providing an incentive for private developers to acquire and rehabilitate homes in distressed neighborhoods by providing a federal tax credit to cover the gap between the cost of building or renovating homes and the price at which they can be sold, thus making such projects feasible.

- **The Neighborhood Homes Credit also will help to counter the inflationary pressures impacting working families.** Housing costs were the largest driver of consumer inflation in January 2021, increasing 4.4 percent year-over-year. Increasing the supply of affordable ownership homes will cut against these pressures and make homeownership more affordable for working families.

- The Neighborhood Homes Credit is **based on the Low-Income Housing Tax Credit**, a program that has proven a resounding success in utilizing private-sector expertise and public resources to develop much-needed affordable housing.

- **The Neighborhood Homes Credit is well targeted to ensure it is helping neighborhoods and households who most need the support.** The majority of credits would have to be allocated for projects located in neighborhoods with elevated poverty rates, low home values, and low incomes. All homes developed or rehabbed by the credit would have to be sold to low- and moderate-income households earning 140 percent of area median income or below who intend to use the home as their primary residence.

- Assuming an average Neighborhood Homes Credit of $40,000 on each home developed, **the Neighborhood Homes Investment Act would lead to $100 billion in development financing that would build and or substantially rehabilitate 500,000 affordable homes** over 10 years. This will create 785,000 jobs and generate $143 billion in wages and salaries and $29.3 billion in federal, state, and local revenue through taxes and fees.

HOME Investment Partnerships Program: 2022 Talking Points

Who: All members of Congress, with special focus on members of the Senate Banking, Housing, and Urban Affairs Committee; the House Financial Services Committee; and the THUD Appropriations Subcommittees in both the House and Senate.

The Ask:

- Thank all members of Congress for funding HOME at $1.5 billion in FY 2022.
- We need HOME more than ever as we continue to navigate the impacts of COVID-19 on the housing market and truly tackle housing inflation. Ask members to support $2.5 billion for HOME in FY 2023.
- Let all members of Congress know Senator Coons (D-DE) and Representative Beatty (D-OH) will soon circulate congressional sign-on letters in support of FY 2023 HOME funding, and they should sign on to the letter in their respective chambers.
- Tell all members of Congress to strengthen the HOME program by increasing program flexibilities and removing needless red tape. Let them know NCSHA is working on HOME reauthorization legislation that will do just that, and you will be calling on them soon to ask them to support that legislation.
- To Democrats in Congress only: Tell them if Congress resumes its work on a revised version of the president's Build Back Better agenda, that bill should still include a substantial one-time investment in HOME and the Housing Trust Fund.

Key Points:

- **HOME is the only federal program that provides the resources and flexibility to meet both the supply and demand challenges of the affordable housing crisis.** HOME can be used to support both rental housing and homeownership. It can be used for new construction, rehabilitation, down payment assistance, and tenant-based rental assistance. HOME's flexibility allows states and localities to tailor it to their unique needs.
- **HOME is more critical than ever as we continue to navigate the impacts of the COVID-19 pandemic on the nation's housing market.** Rents are rising across the

country, making it harder for unemployed and underemployed persons to stay in their homes or find stable housing. Furthermore, increased construction costs, labor shortages, and supply chain disruptions will impact housing development in the near term. It is therefore critical that HOME funding be increased.

- **To tackle housing inflation, we must add to the supply of affordable rental and for-sale housing for low-income people. HOME is key to both.** Since 1992, HOME funds have helped to produce 1.34 million homes. HOME frequently provides critical gap financing to make feasible affordable rental housing funded with Low Income Housing Tax Credits (Housing Credits) or other federal, state, and local housing programs and allows such housing to reach even lower income populations.

- **HOME is a critical source of soft funding to properties assisted by the Housing Credit and other programs.** HOME often provides the early money necessary to get developments off the ground or the final critical gap financing while private lending, Housing Credit, other equity, and other resources come together.

- **HOME supports local economies and creates jobs.** For every $1 billion in HOME funding, approximately 18,200 jobs are created or preserved. Moreover, every HOME dollar leverages nearly $5 of additional investment in affordable housing. The HOME Coalition estimates this investment has supported more than 1.9 million jobs and generated $128 billion in local economic impact.

- **Congress can increase the efficiency of the HOME program by supporting HOME reauthorization legislation**. HOME was last reauthorized in the mid-1990s. In the decades since, we have learned so much, and needs and priorities have evolved. HOME reauthorization legislation would increase program flexibility, improve efficiency, and eliminate needless bureaucracy.

Down Payment Assistance: 2022 Talking Points

Who: All members of Congress, with special focus on members of the Senate Banking, Housing, and Urban Affairs Committee; the House Financial Services Committee; and the THUD Appropriations Subcommittees in both the House and Senate.

The Ask:

- Ask all members of Congress to support providing federal funds to state housing agencies to provide down payment assistance to those who need it.

- To Democrats in Congress only: Tell them if Congress resumes its work on a revised version of the president's Build Back Better agenda, that bill should still include the First Generation Down Payment Fund.

- Ask Democratic members of the THUD Appropriations Subcommittees to include funding for a federal down payment assistance program in their annual appropriations bill.

- Ask all members of Congress to cosponsor the Down Payment Toward Equity Act (H.R. 4495, S. 2920), introduced by Maxine Waters (D-CA) in the House and Raphael Warnock (D-GA) in the Senate.

Key Points:

- **A healthy and equitable home purchase market is necessary for robust economic growth** and addressing our nation's affordable housing crisis.

- **Saving up for a down payment is the primary barrier to affordable homeownership for low- and moderate-income families and racial and ethnic minorities.** More than two-thirds of renters cited saving for a down payment as an obstacle to homeownership, according to the Urban Institute. Many of these households are otherwise able to afford a home mortgage but are finding it increasingly difficult to amass the requisite savings for a down payment.

- **Inflation will only exacerbate these obstacles.** Housing costs were the largest drivers of consumer inflation in January 2021, increasing 4.4 percent year-over-year. This reflects the impact of increased home prices and lack of available for-sale inventory that made it difficult for many working families to compete in the home purchase market.

- **Expanding access to down payment assistance is the single biggest step Congress can take** to expand homeownership opportunities for working families and close the racial homeownership and wealth gaps.

- **The standalone Down Payment Toward Equity Act and the First Generation Down Payment Fund included in the House-passed Build Back Better Act both address this issue head on by providing a federal resource to provide working families who can otherwise purchase a home** the assistance they need to afford a down payment and/or other upfront costs. It will also help traditionally underserved households build up equity in their homes faster, increasing the amount of savings and wealth available to them.

- Both bills are **well targeted to help those households most in need of assistance:** first-generation home buyers whose parents haven't previously owned a home.

- Both bills will **take advantage of state HFAs' expertise and experience in distributing down payment assistance.** HFAs have decades of experience responsibly lending to low- and moderate-income home buyers, experience they apply to their programs today. In 2020 alone, HFAs provided down payment assistance to more than 122,000 borrowers, accounting for 82 percent of all HFA program loans that year.

Section 8 Rental Assistance: 2022 Talking Points

Who: All members of Congress with special focus on the THUD Appropriations Subcommittees in both the House and Senate.

The Ask:

- Urge THUD Subcommittee members to provide enough FY 2023 appropriations to renew all Section 8 Project-Based Rental Assistance (PBRA) contracts and adequately fund their administration. Failure to do so would jeopardize housing for vulnerable populations currently served, discourage private investment, and increase federal mortgage insurance program risk.

- Let them know you need them to protect and improve the PBRA portfolio by ensuring that, as HUD prepares to release a new solicitation for Performance-Based Contract Administration (PBCA), it does not make similar mistakes to previous PBCA solicitations. Specifically, Congress must ensure HUD complies with the Housing Act of 1937's requirement that it contract with public housing agencies (PHAs) for the administration of federal rental assistance. Contracting with PHAs is also vital because PHAs, including HFAs, are publicly accountable, mission-driven entities devoted to the same affordable housing mission as HUD.

Key Points:

- **PBRA provides 1.2 million low-income households with decent, safe, and sanitary housing for a rent they can afford.** Without it, many of these households (two-thirds of which are elderly or disabled) would face worst-case housing needs, meaning they would pay more than half of their incomes for rent, live in severely inadequate physical conditions, or both.

- **PBRA supports a stock of long-term affordable housing and helps preserve and protect the federal investment that went into developing and maintaining it over the years.**

Talking Points on Other HFA Programs

Depending on your agency's specific priorities and the programs it administers, you also may want to speak to your delegation about other HFA programs, including single-family Mortgage Revenue Bonds (MRBs), FHA-HFA multifamily loan risk sharing, Housing Choice Vouchers, and emergency programs such as Emergency Rental Assistance and the Homeowner Assistance Fund. However, the key issues Congress may consider this year are the ones indicated above.

Who: With the exception of tax issues, such as MRBs, these programs generally fall under the jurisdictions of the Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee. Funding for these programs falls under the jurisdiction of the Appropriations Committees (and relevant Appropriations Subcommittees).

Key Points on Mortgage Revenue Bonds:

- **The Mortgage Revenue Bond program makes homeownership possible for first-time lower-income home buyers.** This program is essential to the efforts of state housing finance agencies to help low- and moderate-income working families become home buyers.

- **MRBs enable creditworthy working families with modest incomes and limited capacity to obtain the necessary down payments to access homeownership.** Using MRBs, state HFAs have helped more than 3.3 million low- and moderate-income borrowers become homeowners. They help another approximately 60,000 families buy their first homes with MRB mortgages, on average, each year. The median income of an MRB borrower in 2020 was $52,493, approximately 22 percent less than the national median. HFAs have helped more than 365,000 additional homeowners by converting some of their bond authority to Mortgage Credit Certificates, which provide home buyers with a federal tax credit for interest paid on their mortgages.

- **MRBs also provide other important indirect benefits** by helping the sale of homes under foreclosure, revitalizing distressed neighborhoods, bringing mortgage funds into capital-deprived areas, and funding the repair and purchase of homes in older, urban communities.

Key Points on Emergency Rental Assistance:

- **The Emergency Rental Assistance (ERA) program has helped millions of households facing hardships during the Covid-19 pandemic** pay their rent and utility bills, averting evictions and preventing utility shut-offs.

- **States and local governments stepped up to help renters during the pandemic, standing up this critical emergency program from scratch within a matter of months after its enactment by Congress.** Despite the complexities of building the infrastructure for a program never previously contemplated and partnering with private landlords who had never previously received government rental assistance, state ERA grantees have distributed billions to households in need.

- **Be ready to answer questions about your state's ERA program, especially if the HFA administers ERA on behalf of the state.** Know the latest about the number of households who have received assistance, how much ERA funding has been expended, and any other outcomes you would like to highlight. If your state has had funding recaptured, be ready to explain why. If your state has expended or will soon expend all of its ERA allocations, be ready to explain the ongoing need and any actions the state is taking to meet that need.

Key Points on the Homeowner Assistance Fund:

- **The Homeowner Assistance Fund (HAF) is a $9.96 billion federal program to help households who are behind on or cannot pay their mortgages and other homeownership-related expenses due to the impact of Covid-19.** The HAF program is overseen by the U.S. Treasury Department and administered by states, territories, and tribes.

- **Be ready to answer questions about your state's HAF program, especially if the HFA administers HAF on behalf of the state.** Know when you launched your program (or will launch it), as well as the latest information about the number of HAF applications you have received from homeowners and the number who have received assistance, how much HAF funding has been expended to homeowners, income and demographic information about who is applying for and receiving HAF assistance, and any other outcomes you would like to highlight. You also should be prepared to speak about what type of housing expenses are included in your program (e.g., mortgage payment, utilities, property taxes). You also should be prepared to describe how your HFA is getting the word out about the HAF program.