

# APARTMENT WIRE

## HOW WILL PRESIDENT BIDEN'S BUILD BACK BETTER FRAMEWORK OFFSETS IMPACT THE MULTIFAMILY INDUSTRY?

Yesterday, President Biden announced the release of [an updated framework](#) for the Administration's Build Back Better "human infrastructure" plan. After months of negotiations, this new plan has been scaled back by half from its original \$3.5 trillion price tag.

Major provisions include an expanded child tax credit, universal preschool, investments in elder care, and expansions of Pell grants and free school meals. The proposal also includes \$550 billion in clean energy and other climate change initiatives. Of interest to the multifamily industry, the plan invests \$150 billion in affordable housing provisions such as rental assistance, housing vouchers and the construction and rehabilitation of an estimated one million affordable homes.

The \$1.75 trillion plan is offset by tax increases on ordinary income and capital gains income that would impact upper-income Americans.

Importantly, a number of previously proposed revenue raisers that could have negatively impacted the multifamily industry have been left out of the President's framework—including changes to like-kind exchanges, increases in the ordinary income tax rates, the general 20 percent capital gains tax rate, the tax treatment of carried interest, the 20 percent pass-through deduction of the taxation of unrealized capital gains at death and a provision in the [Ways and Means bill](#) that would have restricted the ability to use IRAs to make certain types of real estate investments. The proposal also does not include any changes to the current-law tax treatment of state and local income taxes. However, this is expected to be addressed as the package moves forward.

As of this writing, it is unclear whether the revised proposal will enable Democrats to achieve the congressional majorities they need to pass reconciliation legislation. NMHC will continue to keep members informed on the state of play in Washington and this legislation's potential impact on our industry.

To help members navigate the potential impacts of this new framework, NMHC staff experts have created an analysis that breaks down which tax provisions made the cut, which didn't and what their inclusion could mean for the multifamily industry. Click through to access the new resource.

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## DOUG BIBBY: "QUICK FIXES WON'T SOLVE AMERICA'S HOUSING CHALLENGES"

NMHC President **Doug Bibby** penned an article for *Multifamily Executive* this week making the case that policymakers must act now to address our nation's longtime housing affordability challenges. We must not cut corners in working to address this longtime challenge. As Doug so aptly points out, this crisis didn't emerge overnight and "quick fixes"—like eviction moratoriums and rent control—certainly won't repair decades of neglect.

Click through to read Doug's newest article and share it across your networks. We know you agree that inaction isn't an option and it's imperative our industry joins together to help make the case.

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## Multifamily Markup

### NMHC AND NAA ISSUE STATEMENT FOLLOWING RELEASE OF TREASURY DATA SHOWING LESS THAN A QUARTER OF RENTAL ASSISTANCE AID DISBURSED

NMHC partnered with NAA this week to issue a statement on the [disappointing news](#) that less than a quarter of emergency rental assistance aid has been distributed to residents and property owners in need. NMHC and NAA believe that rental assistance is the best immediate solution to support struggling renters and housing providers alike. As such, our statement calls on policymakers to pursue a number of solutions to further facilitate its distribution.

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### NMHC URGES CONGRESS TO ELIMINATE EXCLUSIONARY ZONING TO ENCOURAGE MORE EQUITABLE COMMUNITIES

Ahead of a Subcommittee on Housing, Community Development and Insurance hearing titled, "Zoned Out: Examining the Impact of Exclusionary Zoning on People, Resources, and Opportunity," [NMHC submitted](#)

[comments](#) to make the case that without proactive leadership from policymakers, exclusionary zoning will continue to limit economic growth, restrict access to resources every household needs to thrive. The comment letter underscores the importance of implementing actionable solutions that will break down barriers and increase affordability and equity in communities across the nation.

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## OCTOBER APARTMENT MARKET CONDITIONS SHOW ONGOING, STRONG IMPROVEMENT

Apartment market conditions showed continued improvement in the National Multifamily Housing Council's Quarterly Survey of Apartment Market Conditions for October 2021. The Market Tightness (82), Sales Volume (79), and Equity Financing (65) indexes came in above the breakeven level (50) for the third quarter in a row. The Debt Financing (48) index indicated weaker conditions, though the majority of respondents indicated conditions to be unchanged from the previous quarter.

[VIEW THE DATA](#)

## NMHC WEIGHS IN WITH FHFA REGARDING PROPOSED ENTERPRISE PLANS

This week, NMHC weighed in with the Federal Housing Finance Agency (FHFA) on two issues—the Request for Input (RFI) on the release of the Equitable Housing Finance Plan for the Enterprises and the Notice of Proposed Rulemaking on Housing Goals for the Enterprises 2022-2024. Click through for a full rundown of our recommendations.

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## SEE WHO WILL BE AT OPTECH THIS YEAR

The [2021 NMHC OPTECH Conference & Exposition](#) is less than two weeks away. We are excited that after a year apart our industry peers will be joining us at the Gaylord National Resort and Convention Center in National Harbor, Maryland. This conference provides three days of collaboration on strategic action, incubation of new ideas and elevation of the industry across all areas of business operations and technology.

[Over 1,400 industry leaders will be in attendance](#), click through for just a few of the names you can connect with during the event.

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## HUD CLIMATE PLAN RELEASED AS PART OF ADMINISTRATION-WIDE EFFORTS TO COMBAT CLIMATE CHANGE

To further the Administration's climate goals, the White House recently released [climate action plans](#) developed by 20 federal agencies that specify how each intends to address the climate crisis within the scope of its jurisdiction—including agency operations and impact on workers. Among the plans released, the Department of Housing and Urban Development's (HUD) plan states the Department will update climate risk data and research at the building level in order to develop a more resilient building stock.

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## NMHC PAC COUNTS DOWN TO 2022 NMHC ANNUAL MEETING – CONTRIBUTION DEADLINE APPROACHING!

NMHC PAC is an important tool that complements NMHC's overall advocacy efforts—helping to support the multifamily industry's ongoing advocacy goals. If you are interested in learning more about getting involved, please contact NMHC's **Lisa Costello** at [lcostello@nmhc.org](mailto:lcostello@nmhc.org).

All NMHC PAC Supporters will be recognized at the NMHC Annual Meeting in January and on the [NMHC PAC Supporters webpage](#). PAC Supporters are also invited to an exclusive, donor only reception during the Annual meeting.

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## NMHC EMERGING LEADERS TO MEET AT OPTECH CONFERENCE & EXPO

After nearly two years apart, NMHC's Emerging Leaders are set to meet in-person at the [NMHC OPTECH Conference and Expo](#). Join us November 9 from 5 pm–6:30 pm for a special Emerging Leaders reception at the Gaylord National Resort and Convention Center in National Harbor, Md. This event is open to anyone under 40 years old who works for an NMHC firm and is registered for the OPTECH Conference and Expo.

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# NEWS



## LESS THAN A QUARTER OF EVICTION AID DISBURSED, TREASURY SAYS

Treasury Department data released Monday showed the disbursement of federal rental aid has started to plateau, despite Biden administration pressure on state and local governments to ramp up delivery of the money to avert evictions during the pandemic. State, local and tribal officials had disbursed about \$10.7 billion in rental assistance as of the end of September, representing less than a quarter of the \$46.5 billion Congress authorized in two tranches since last December. The release of \$2.8 billion in September marked a 9.1 percent increase from August, which had seen a 44.7 percent increase from July.



## CDC LOWERS LEAD LEVEL FOR KIDS AS EPA PLANS TO TACKLE TOXIN

The Centers for Disease Control and Prevention announced it is updating its definition of lead poisoning in young kids, a development that could affect a series of upcoming EPA rules to decrease lead exposure in drinking water, paint, air pollution and soil. CDC's reference dose has also served as the foundation for many EPA calculations regarding how much lead a child can be safely exposed to from a single source. EPA has come under fire in the past for not updating its regulations simultaneously when CDC lowers the reference dose and public health experts are hoping EPA will take the new CDC numbers seriously.



## WITH CAPS RAISED, FANNIE MAE, FREDDIE MAC ARE POISED TO LEND MORE

Investors will be able to get more loans for apartment properties from Freddie Mac and Fannie Mae in 2022. They may also get even lower interest rates on loans if a certain number of their apartments already qualify as deeply

affordable and they also reduce the amount of energy and water consumed. “Director **Mark Calabria** had taken out the green incentive [to lend to apartment properties than save on water and energy],” says NMHC’s **David Borsos**. The new caps find ways to support some of those properties.



### HOW ST. PAUL MAYOR CARTER'S PROMISED RENT CAP MEASURES CREATE A MESS

Proponents of the ballot measure, which would cap residential rent increases at 3 percent annually, have said if any problems arise, the city council could always tweak the ordinance down the line. That's raised questions on the legality of the changes. It's possible that the city council cannot legally pursue a major change—such as exempting new construction—without first returning to voters with new language at the ballot box.



### THE HOUSING CRISIS WILL CONTINUE IF CONGRESS FAILS TO ADDRESS ITS ROOT CAUSE

The nation faces a dramatic housing shortage, sending home prices and rents through the roof all over the country. The spike in housing costs is making it harder for some to buy their first home and for others to afford their rent, increasing demand for subsidized housing and widening the wealth gap between renters and homeowners. It is also forcing more families to live farther from jobs, increasing commute times, undermining labor force participation and slowing economic growth.



### CUSHMAN & WAKEFIELD TO BUY 40% STAKE IN GREYSTONE MULTIFAMILY BUSINESS FOR \$500 MILLION

Commercial real estate services giant Cushman & Wakefield PLC has agreed to pay \$500 million for a 40% stake in the rental apartment lending and loan servicing business owned by Greystone & Co., the companies said, in the latest sign of the strength of the rental apartment industry.





## THE OLDEST APARTMENT BUILDINGS IN THE U.S. THAT STILL RENT TODAY

They don't make 'em like they used to—nothing is truer if we look at apartment buildings that have been around since before 1950 and still welcome renters to this day. The top 20 oldest buildings renting today are more than 135 years old and are characteristic of the North and Northeast region. Modern interest in sustainability is bringing age-old buildings into the limelight not only for their undeniable charm, but also for their versatility and lasting potential.

## RECORDING AVAILABLE: FEMA NATIONAL FLOOD INSURANCE PROGRAM RISK RATING 2.0 POLICY BRIEFING

NMHC and NAA hosted a flood insurance policy update this week that featured first-hand insights from representatives of the National Flood Insurance Program (NFIP) about the rationale for the Risk Rating 2.0 — Equity in Action update, as well as the process and tools used to modernize the rating system. If you were unable to tune in to the live broadcast, please click through to watch the event recording.

[WATCH NOW](#)



Note: This webinar is available for NMHC members only. If you are not an NMHC member, learn more about joining the council.



## UPCOMING MEETINGS

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