



2022 NMHC Advocacy Wins

NMHC Members,

2022—what a year! On the backside of this document, is a more detailed overview of some of the work done on behalf of the industry this past year. But, here's a rundown of where we stand, and what's to come.

We began this year still very focused on the impact of the pandemic on our industry and our renters. Ensuring renters could fulfill their lease obligations – and our industry could keep the lights on – was mission-critical. Although the administration of the program was a challenge, I'm proud to say that as of this writing, nearly all of the Emergency Rental Assistance Program (ERAP) funds have been allocated, thanks in large part to NMHC's continued advocacy at the White House, Treasury, and in Congress on various disbursement reform efforts throughout the year.

As the year progressed we began moving away from pandemic relief efforts and back to our years-long housing affordability focus and messaging around the critical importance of preserving the viability of the multifamily industry. The reality is, our nation is facing a housing affordability crisis brought on by a decades-long supply/demand imbalance long before the pandemic, and that crisis continues to be ever-present and ever-impactful to our industry and our renters. Further, this past year's tumultuous market conditions – including inflation, rising interest rates, labor shortages, and spiking materials and financing costs – exacerbated these already pressing challenges.

We've spent the better part of this year conducting research to help make our case, pushing for legislation that actually moves the needle and working with lawmakers to ensure they were accurately "read in" on how our industry operates.

To that end, a critical win this year to help ensure future housing affordability efforts was our ability to put a stop to the inclusion of harmful carried interest provisions within the reconciliation package. As I mentioned, education efforts for Hill staff and Members of Congress are a huge part of what we do. And these efforts were paramount to our success in this case.

The Administration was certainly hard at work this year—and utilized the latter half of 2022 to make a splash in the housing space. The release of their Housing Action Plan shepherded in a new chapter for federal conversations around supply constraints, housing affordability and resident stability. The Action Plan includes dozens of provisions that NMHC has been advocating for... most for a decade or longer. Finally, leaders at the highest level of government understand that a supply shortage is at the crux of our nation's affordability challenge.

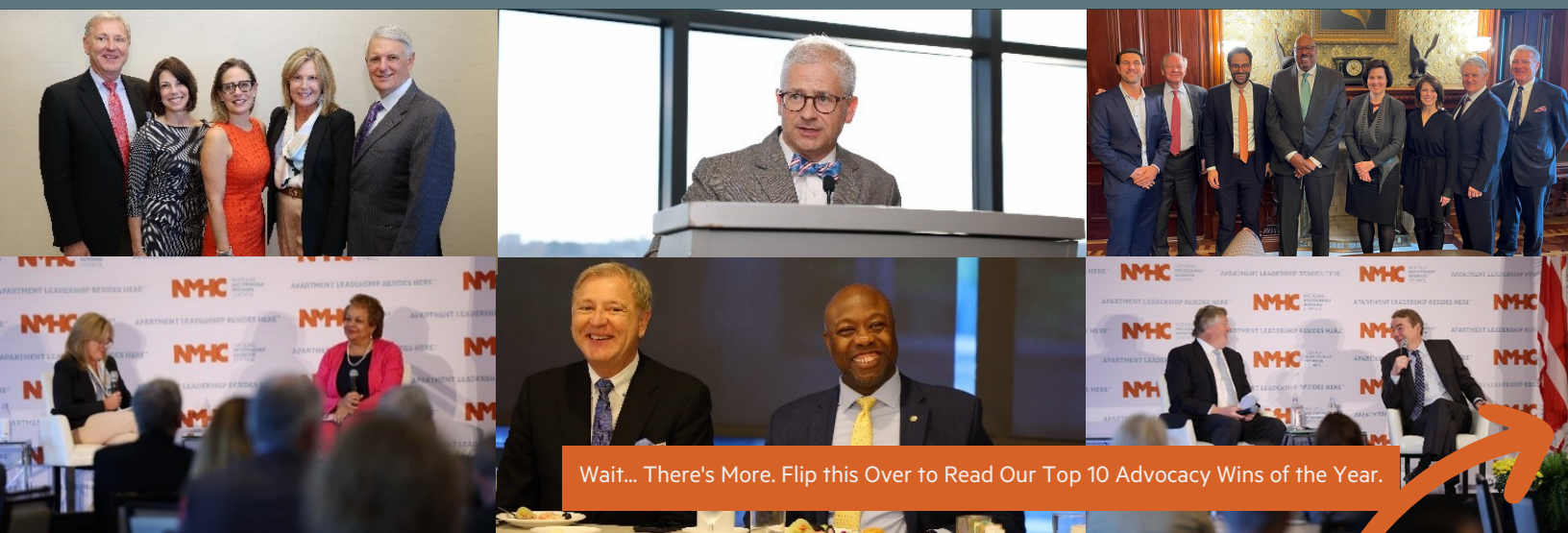
As part of the White House's efforts in this space, they began engaging us in conversations around resident stability and eviction mitigation in the latter part of the year. At the core of our conversations with them was one simple truth: The competitive and professionally managed apartment industry's business model has always been, and will always be, centered on our residents. There is no rental housing industry without our residents. So, as we talked through solutions, our message to them remained consistent—the only way to relieve affordability challenges is through private-public partnerships that will ensure there is enough supply to meet demand. Further, we impressed upon them that adding additional layers of federal regulation will only exacerbate the problem and drive investors out of the market.

It was an extremely busy year, but our work is far from done. We continue (and will continue) to engage with the Administration and Members of Congress as they take on the various issues that impact our industry. We'll be sure to keep you in the loop along the way.

Best,

Cindy Chetti

NMHC Senior Vice President of Government Affairs



Wait... There's More. Flip this Over to Read Our Top 10 Advocacy Wins of the Year.

Thanks to strong member support, NMHC is proud to have:

1 Preserved Critical Industry Tax Provisions

Several packages were proposed this year that would have negatively impacted the real estate industry and our ability to increase the supply of housing. Thanks to around-the-clock NMHC advocacy efforts, Congress preserved real estate tax provisions key to our industry, including capital gains treatment of carried interest.

2 Rejected Price Controls

As Federal policymakers looked to ineffective policies like national eviction moratoriums and rent control, we successfully refocused efforts on addressing the root cause of housing instability and protecting the financial security of both renters and rental property owners.

3 Addressed Affordability Challenges

The Biden Administration released a Housing Supply Action plan in response to calls from NMHC to address the nation's rental housing supply shortage. The plan included several provisions we long-supported, such as incentives aimed at eliminating restrictive state and local zoning laws.

4 Made the Case for Increased Multifamily Housing Production

NMHC released two major research reports to support our industry advocacy. The Cost of Regulation Report, which was unveiled at the HUD Innovation Showcase, revealed that regulation accounts for 40.6% of development. The U.S. Apartment Demand Through 2035 report detailed how demand for apartments is outpacing supply. And the NMHC Quarterly Construction Survey offered lawmakers a detailed outline of current development hurdles, including supply chain obstacles, rising material, land, and labor costs and permitting and entitlement delays. And, to help combat some of the emerging supply chain challenges that was illustrated through our various research, NMHC helped secure the passage of the CHIPS and Science Act, which made critical investments in the American manufacturing of chips for smart home and security tech within apartment communities.

5 Pushed for Section 8 Reform

We successfully worked with policymakers to get reform legislation introduced that would incentivize greater private sector participation and stabilize funding. We also met with HUD to identify administrative steps they can take to streamline the Section 8 program and increase private sector participation.

6 Ensured Favorable Energy Provisions

Following months of NMHC collaboration and advocacy, the Infrastructure Investment and Jobs Act and the Inflation Reduction Act included an array of direct and indirect funding programs related to electric vehicles, efficiency, resiliency, and tax credit incentives for multifamily properties.

7 Communicated with Lawmakers & Strengthened Coalition Relationships

Thanks to our strong relationships with lawmakers, we successfully submitted 30+ comment letters aimed at preserving a favorable legislative and regulatory environment. A key component of these efforts was utilizing the relationships built through our coalition work. NMHC led a coalition of 13 major real estate trade groups that was instrumental in submitting many of these comment letters and ensuring the broader industry spoke with one voice.

8 Mitigated Industry Operational Challenges By...

- ✓ Securing additional changes to the administration of the \$50 billion Emergency Rental Assistance Program (ERAP). One crucial step proposed by NMHC and adopted by the Administration was the creation of a centralized web portal allowing residents and owners to access ERAP fund information.
- ✓ Pushing back at attempts by the FCC to further regulate the multifamily broadband market and fought to ensure multifamily properties remain a key priority as historic broadband deployment funds are disbursed across the country.
- ✓ Partnering with industry partners to ensure a long-term reauthorization of the Violence Against Women Act (VAWA)—leaving behind unworkable housing provisions that would have negatively impacted industry operations.
- ✓ Securing a one-year reauthorization of the National Flood Insurance Program (NFIP) that provides critical flood protection to multifamily properties.
- ✓ Securing the passage of a postal reform bill that maintained existing mail delivery policies allowing for flexibility in how mail and packages are delivered to apartment communities.
- ✓ Providing new resources for its members on critical issues, including data privacy and protection, music licensing, broadband mandatory access and the benefits of rent reporting to help members navigate complicated regulations.

9 Took on Industry Regulatory Hurdles By...

- ✓ Encouraging FHFA to modify the Enterprises' housing affordability goals to ensure a stable multifamily market. NMHC's regular on-going interaction with FHFA ensures they are kept up to date on market conditions and member concerns.
- ✓ Expressing the industry's concern on several labor-related legislative and regulatory challenges including Davis-Bacon wages, comprehensive immigration reform and the National Labor Relations Board Joint Employer Rule.
- ✓ Leading efforts to ensure that the Securities and Exchange Commission (SEC) climate related regulations for publicly traded companies were workable.
- ✓ Spearheading industry efforts to educate policymakers about the vast resources and commitment we have to robust cybersecurity and consumer and data privacy and provided critical input to the SEC and the Federal Trade Commission (FTC) on both.
- ✓ Securing the five-year reauthorization of the EB-5 Program. After years of negotiations, this ensures that this capital source remains available for multifamily. NMHC also worked to maintain continued access to the H-2B program for the construction industry.
- ✓ Fighting (and continuing to fight) to alleviate onerous compliance provisions required by the beneficial ownership legislation and has led the real estate industry in making its case to the Treasury Department as regulations are finalized.

10 Strengthened Key Congressional Relationships Through the NMHC PAC

Having raised over \$2 million in 2022, NMHC PAC remains the 3rd largest real estate PAC with 342+ congressional races supported on both sides of the aisle.