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## Transcript

### Code 53

#### *How the Election Impacts Multifamily in 2023*

**Cindy Chetti:**

Honestly, every single thing that is going on in Washington is being looked at through a lens of housing affordability.

**Kevin Cameron:**

Welcome back to Code 53, The Apartment Podcast. I'm Kevin Cameron with NMHC. And I'm joined, as always, by my co-host, Alison Johnson.

**Alison Johnson:**

On this show, we bring you into conversation with apartment industry executives, leading experts in the multifamily sector, and a diverse group of practitioners.

**Kevin Cameron:**

To help you learn more about everything it takes to create communities, from business strategy to design, to finance and leadership.

**Alison Johnson:**

And today on Code 53, we are bringing you the policy priorities for the multifamily housing industry in the 118th Congress. We'll let you know what happened in the 2022 midterm elections and what it all means for the key issues facing our industry and our nation's affordable housing crisis.

**Kevin Cameron:**

There is no one better to walk us through all of these upcoming obstacles, opportunities, and everything that's coming at us in the next year than NMHC's Senior Vice President of Government Affairs, Cindy Chetti. So stay tuned.

**Announcer:**

The Code 53 podcast is brought to you by NMHC, the National Multifamily Housing Council. The place where the leaders of the apartment industry come together to guide their future success. From owners to managers and developers, NMHC's members create thriving communities by providing apartment homes for 40 million people, contributing \$3.4 trillion annually to our nation's economy.

**Alison Johnson:**

We're here early December 2022, we're publishing this episode. The Republicans have indeed taken back the majority of the US House of Representatives, albeit by a slim margin. And the Democrats have retained control of the Senate, relatively speaking. We're looking at you, senior Senator of Arizona.

So I'm sure many of our listeners are bewildered, if not confused by the political tensions of this recent election. Which is why we're glad to have someone take us on a guided tour of the multifamily housing industry's outlook on this new Congress. Welcome, Cindy Chetti, NMHC's senior Vice President for Government Affairs.

**Cindy Chetti:**

Thank you so much, Alison and Kevin. I am so honored to be asked to be part of this Code 53 podcast. I want to congratulate both of you for the work that you've done in making this an important resource for our members. And just happy to be here today.

**Alison Johnson:**

We're delighted to have you on Code 53 today, Cindy. So let's take this moment to walk our listeners through what happened in the last month and what that means for how Washington will operate over the next two years.

**Cindy Chetti:**

Contrary to all the predictions, there was not a red wave. Republicans fell way short of what they were all saying was going to be this red wave. They did take control of the House of Representatives, but as Alison said, by a very slim four vote margin, 222 to 213, Democrats now control the Senate, or continue to control the Senate. And they did gain another seat this week with Senator Warnock win in Georgia. With that win, the Democrats were set to lead with a 51-49 margin. But notably, this morning, Senator Kyrsten Sinema announced that she plans to leave the Democratic Party and register as an Independent. It's a little too early to tell what that means for the balance of power for the Democrats, but here's why this news about Sinema so important.

That 51-49 Democrat majority would've given, and does give ... I mean, maybe it still gives. The Democrats some important advantages over the current 50-50 Senate margin. That vote, that extra 51-49 vote gives them a majority on each of the committees. It allows them to process legislation and nominations much faster. It provides them bigger staffs and bigger budgets. It gives them a stronger subpoena power. It diminishes the centrist Democrats giving Schumer some breathing room to pass legislation. Filling a Supreme Court Senate vacancy would be easier if an opening should arise.

And lastly, it would mean that Vice President Kamala Harris would not have to come up to the Hill as often to be the tie-breaker for nominations and legislation. So regardless, the election means that Washington is now operating under a divided government.

**Kevin Cameron:**

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Okay, Cindy, so with the new reality of a divided Congress, conventional wisdom would argue that we shouldn't expect much more to get done. Do you think this means there's more room for cooperation since the margins are so slim, or will gridlock continue in Washington as it seems to always do, especially when it comes to things that impact the multifamily industry?

**Cindy Chetti:**

I think that remains to be seen. Will the split between Republican-controlled House and Democrat-run Senate leave to more gridlock, or will this perpetuate more bipartisan collaboration? I think it's still too early to tell. Republicans ran on a platform of stopping the Biden administration agenda. And I think it's fair to say that neither party will have the votes to enact major legislation. One notable tool that is off the table with a divided government is the so-called reconciliation process. In a divided government, that tool is no longer available to the Dems.

Divided government will also put more pressure on the administration to pursue their key agenda items through regulation and the administrative process and through executive orders. And as for what that means for the industry, I think it means that we need to buckle up because it's going to be very busy as we continue to push back on a number of onerous proposals on the regulatory front, on the housing issues, on resident screening issues, on environment and energy, and broadband and telecom space. Honestly, every single thing that is going on in Washington is being looked at through a lens of housing affordability.

So the supply-demand imbalance is a critical issue facing this country. We need to build more housing at all price points. And I will tell you that it is an issue that has been front and center for NMHC during this entire Congress. But as we look forward to the next Congress, we're very much encouraged by the administration's Housing Action Plan that they released back in May. And what was so encouraging for us in that regard is that it was a plan that was focused on addressing the supply-demand imbalance. So there's many of the things that are included in that plan that are things that NMHC has been working on for years. And so we're very encouraged that they understand, this administration understands the need to address that shortage of supply.

It's important to note that it's not just the Democrats that are looking at the housing supply imbalance. I think policymakers across all levels, at the local level and at the federal level, are hearing from constituents and people that they can't find places to live, that they can't find affordable places to live. And so again, this has been an issue that for us, has overshadowed pretty much everything that we've been working on, along with the regulatory environment. Because we're seeing a lot of issues that are aimed at addressing the housing supply and housing affordability issues that fall into the regulatory environment as well.

**Alison Johnson:**

Do you think we'll see more regulatory actions going forward?

**Cindy Chetti:**

I think we're already seeing that. I think right now some of the things that we're very much focused on is, how can we address housing affordability? And again, that Housing Action Plan that the administration put forward, some of it can be done through regulatory issues and administrative issues, some of it will require legislative action. As to whether or not we'll see legislative action or regulatory action, that really makes a difference. I will say that everybody talks about addressing the housing affordability crisis, but I've often found over the years that people aren't really willing to do what is necessary to really address the shortages of housing affordability.

And so I guess that remains to be seen. Some of the things that we are seeing right now are a focus on resident screening issues, and perhaps we'll see some regulatory issues in that regard. They're also looking at ways to improve the resident's experience through greater tenant protections. So we are certainly working with this administration in talking to them about implications relative to putting restrictions on some of those issues that are important for the industry on an operational basis.

**Kevin Cameron:**

Cindy, and I think there are so many issues that have the ability to affect housing and housing policy in the multifamily industry at large. So we've talked about the big issues and the makeup of Congress. What else is on the horizon and what is NMHC looking for going forward?

**Cindy Chetti:**

The policy challenges facing this industry touch every sector of the industry, from new development to property management, and encompass firms of all shapes and sizes. So we are going to be hyper-focused and hyper-vigilant as this next Congress takes shape. And the key issues that we're going to continue to focus on are, number one, tax policy. It's so important that we work to preserve and maintain tax policy that encourages investments in the multifamily industry. We also are very much focused on a plethora of other issues, data privacy, resident screening. We want to reform the Section eight program and make it more palatable for the private sector to participate.

We are also going to be looking at labor and immigration issues. One of the issues that is so important to our industry is the availability of labor. And we are hearing across our industry, as every industry is, the shortages that they are facing for labor and the challenges there. And so we're going to certainly be talking and communicating with the administration on both labor and immigration.

Fair housing is another issue that is incredibly important for the country, but for the industry as well. So we will remain focused on fair housing issues, as well as a number of energy and environmental issues that will be addressed in the coming months.

**Alison Johnson:**

That's a lot of issues, Cindy. So we thank you for indexing and keeping track of them all. I'm sure everyone in the audience is like, thank you we have a Cindy.

**Cindy Chetti:**

Well, we're lucky also, Alison, that we have a really strong team at NMHC, and a really strong government affairs team and communications team and research team that helps ... it takes a village, let's put it that way. It takes a village for all of this.

**Alison Johnson:**

Knowing that there are so many issues that people could learn about, or maybe they're interested in diving deeper into specific policy issues, whether at the local or the federal level, can you tell us the best way a new professional or an interested party may want to be engaged or be more informed?

**Cindy Chetti:**

Sure. Sure. So first of all, we at NMHC do a good deal of work to provide the resources necessary to advocate on behalf of the industry. So our website is one of the most important things that you can do if you're looking for information about the issues that we are focused on. We will be sitting down in the next several weeks, identifying the priorities for the next Congress. And I will say I've outlined what we've been focused on in the last Congress, and I will tell you that those will probably not change, but there may be new ones that will come up. So we'll be sitting down in the next month to really fine tune our priorities and create some documents relative to that.

What I would say to you is that the website has a great list of our key priorities. And then in addition to our key priorities list, we create FAQ sheets and resources for the industry, and also for Capitol Hill and the administration to educate them on these important issues. So there is a myriad amount of material on our website, and I would urge you to take a moment to investigate our website and to read the materials that we have there that outline the key priorities for the industry that we're working on.

I also would say we have a Apartment Wire newsletter that goes out, and so I would also urge you to sign up for that newsletter. In that newsletter we go through the things that we're working on and we keep you up-to-date. And so I would suggest to you that in order to be informed on the goings in Washington, that is a great place for you to get that information.

**Kevin Cameron:**

Yeah, it is a must-read. And for listeners out there that are interested, we will put a link in the show notes for you to be able to sign up directly for Apartment Wire so you can stay up to date on everything Cindy was just talking about.

**Cindy Chetti:**

The other thing I would say is that one of the things that's most important also is to get engaged. If you have relationships with members of Congress, if you want to have relationships with members of Congress, if you want to help us advocate, if you want to help us educate members of Congress about the importance of the industry and the importance of the issues

that are being considered, let us know. Because there's no better advocate, there's no better person to advocate on behalf of this industry than a constituent.

So reach out to NMHC. Let me know, let other folks at NMHC know if you'd like to get more involved. We would love that and we would welcome your council and your advice. And also, if there are issues that are cropping up that we're not thinking about, we want to hear about that.

**Alison Johnson:**

It takes a village. And we really need everyone's participation in making the voice of the industry resonate loudly on these issues.

Cindy Chetti, NMHC Senior Vice President of Government Affairs, thank you so much for coming on Code 53 today and giving us your knowledge. Thank you so much.

**Cindy Chetti:**

Thank you so much, Alison and Kevin, for inviting me.

**Kevin Cameron:**

And thanks to everyone for downloading and sharing this podcast. Make sure you continue to do that so everyone knows about it. And then coming up in our next episode, we're going to be breaking down networking in the new year. How can you best take advantage of networking to further your career and move forward? So subscribe, be the first to know when that drops. And meet us right back here on Code 53, The Apartment Podcast.