NMHC/NAA Push Back on Proposed Source of Income Legislation
Senators Hatch (R-UT) and Kaine (D-VA) introduced the Fair Housing Improvement Act of 2018 on November 13 to amend the Fair Housing Act to prohibit discrimination based on source of income, which NMHC/NAA believe fundamentally changes the Section 8 Housing Choice Voucher Program from an optional government program for private property owners to mandatory.

NMHC Insider

FAIR HOUSING

NMHC/NAA Meet with HUD to Discuss Program Improvements, REAC Update
Once a quarter, NMHC/NAA participate in a meeting with HUD senior staff and a group of industry stakeholders to discuss policy initiatives and provide feedback on program performance and industry concerns. HUD also held a separate stakeholder listening session last week to discuss an update to Real Estate Assessment Center (REAC), the property inspection protocol used by the Department for a variety of multifamily programs.

TELECOMMUNICATIONS

In Setback for Real Estate Industry, FCC Committee Approves Broadband Model State Code
This week, in a setback for the real estate industry, the Broadband Deployment Advisory Committee (BDAC) approved a Model State Code (MSC), which NMHC/NAA and other real estate trade groups had opposed. With no discussion or amendment, the MSC was approved by a vote of 16-8.

OPPORTUNITY ZONES

Apartment Industry Suggests Refinements to Proposed Opportunity Zone Regulations
NMHC/NAA provided the Internal Revenue Service (IRS) with a list of suggested refinements to proposed regulations implementing Opportunity Zones on December 7.
NATIONAL FLOOD INSURANCE PROGRAM

**Flood Insurance Gets Another Lifeline**
The National Flood Insurance Program (NFIP), which many owners and operators of apartments rely on to mitigate the financial risk posed by flooding events, was extended once again on a short-term basis. Congressional leaders included an extension of the NFIP in the recently passed stop-gap federal funding package that runs through December 21.

GSES AND HOUSING FINANCE REFORM

**FHFA Issues Final Rule on FHLB Affordable Housing Programs**
The Federal Housing Finance Agency (FHFA) issued the final rule on the Federal Home Loan Banks (FHLB) Affordable Housing Program (AHP) on November 20. The Program has deployed over $4.4 billion in support of over 660,000 rental units over the past 26 years.

GSES AND HOUSING FINANCE REFORM

**NMHC Updates FHFA On Multifamily Market Conditions**
NMHC members met with senior officials at the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac’s regulator, on December 4 to provide an update on market conditions facing the multifamily industry. During the meeting, NMHC presented on several topics including analysis of construction activity, NMHC’s quarterly market survey and the status of capital markets debt and equity sources.

TAX AND ACCOUNTING

**Treasury Department Proposes Regulations Implementing Limits on Interest Deductibility**
The Treasury Department and Internal Revenue Service (IRS) on November 26 proposed regulations implementing limits on interest deductibility enacted last December as part of the Tax Cuts and Jobs Act. Multifamily firms will generally be allowed to elect to opt out of limits on deducting business interest. The consequence of electing out of limitations on interest deductibility will be that multifamily firms will have to depreciate property over a longer period of time.
FAIR HOUSING

End-Of-Year House Tax Bill Includes Beneficial Provision But Lacks Depreciation Fix
House Ways and Means Committee Chairman Kevin Brady (R-Texas), on November 26 released end-of-year tax legislation that the House could consider as early as later this week. The bill includes several provisions beneficial to the multifamily industry but, unfortunately, does not include a technical correction clarifying a 30-year depreciation period for existing multifamily buildings. The industry is requesting that this fix be added as the legislative process moves forward.

POSTAL REFORM LEGISLATION

Treasury Releases Postal Reform Recommendations
The Task Force for Postal Reform, a group created by President Trump in April of 2018, released a long-awaited report this week with recommendations to improve the financial standing of the U.S. Postal Service (USPS).

Upcoming Meetings

2019 NMHC Annual Meeting
January 29 - 31 at the Manchester Grand Hyatt in San Diego, CA

2019 NMHC Apartment Strategies Outlook Conference
January 28 - 29 at the Manchester Grand Hyatt in San Diego, CA

NMHC PAC

NMHC PAC on Pace for End-of-Year Milestone!
As the end of the year nears, NMHC PAC wants to take this opportunity to thank our NMHC members that have contributed this year! Because of your support, NMHC PAC has had one of the strongest fundraising years to date.

Read More
Media Roundup

Opportunity Zones Knock
Multi-Housing News

It's official: Senate approves Kathy Kraninger to serve as next CFPB director
HousingWire

4 Multifamily Development Trends to Watch in 2019
Multifamily Executive

The Scoop

NMHC President Doug Bibby Discusses Housing Affordability and Recently Released Cost of Regulations Research During Multi-Housing News Podcast

In the second installment of Multi-Housing News' quarterly podcast series, NMHC's President, Doug Bibby, discusses the cost of regulations to multifamily construction and how these costs only exacerbate the housing affordability crisis.

Listen to the podcast here.