



400 North Columbus Street  
Suite 203  
Alexandria, VA 22314  
(703) 683-8630  
(703) 683-8634 FAX  
www.nahma.org

## **Selected NAHMA Policy Positions 111<sup>th</sup> Congress (2009): March 2009**

### **NAHMA Positions Key**

**Strongly Support:** NAHMA will devote the highest level of staff resources to actively work to pass the bill. NAHMA may propose draft legislation on issues we “strongly support.” NAHMA will conduct grassroots advocacy, seek opportunities to offer congressional testimony, meet with members of Congress and/or staff, initiate and/or sign onto letters with industry colleagues, proactively send position papers to members of Congress and/or staff, seek coverage in the trade press or other activities to move the bill through the legislative process and into law.

**Support:** NAHMA is interested in passing the bill, but it is not among our highest immediate priorities. NAHMA will likely initiate and/or sign onto letters with industry colleagues, meet with members of Congress and/or staff, or other activities to move the bill through the legislative process and into law.

**Neutral:** NAHMA will not work in favor or in opposition to the bill.

**Oppose:** NAHMA is concerned about the bill and does not support its passage, but it is not among our highest immediate priorities. NAHMA will likely initiate and/or sign onto letters with industry colleagues, meet with members of Congress and/or staff, or other activities to prevent the bill from becoming law.

**Strongly Oppose:** NAHMA will devote the highest level of staff resources to actively work against the bill. NAHMA may propose alternative draft legislation on issues we “strongly oppose.” NAHMA will conduct grassroots advocacy, seek opportunities to offer congressional testimony, meet with members of Congress and/or staff, initiate and/or sign onto letters with industry colleagues, proactively send position papers to members of Congress and/or staff, seek coverage in the trade press or other activities to stop the bill from moving through the legislative process and to prevent it from becoming law.

### **Preservation and New Production**

**\*New\***

**H.R. 384: TARP Reform and Accountability Act of 2009**

**Sponsor: Chairman Barney Frank (D-MA)**

**NAHMA Position: N/A**

The act would force the Treasury to provide better oversight in regards to spending and to detail the spending by firms participating in the program in order to release the remaining \$350 billion in the Troubled Asset Relief Program (TARP). The funding was designed to help stabilize credit markets that have been rattled over the collapse of the housing industry and Wall Street, causing an economic recession. Congress has been very critical of the lack of oversight and monitoring of the implementation of TARP by Treasury so far. The legislation would require between \$40 to \$100 billion for foreclosure relief for residential properties, including affordable housing and multifamily tax credit properties; retroactively placing more severe executive compensation requirements on firms participating in the program; and loosening restrictions on a Federal Housing Administration program to refinance at-risk mortgages.

There have also been suggestions by the industry to allow TARP funds to be used to provide gap financing or other assistance to the LIHTC properties, which has been experiencing a credit meltdown due to the financial crisis. NAHMA would support the use of TARP funds to stabilize the LIHTC program.

The bill has been passed by the House and has been introduced in the Senate.

Some TARP-related provisions were included in H.R. 1, which has been signed into law.

**S.118: Section 202 Supportive Housing for the Elderly Act of 2007.**

**Sponsor: Sen. Herb Kohl (D-WI)**

**NAHMA Position: Support**

This legislation simplifies development and facilitates preservation of affordable, supportive, senior housing. The bill requires (rather than permits) HUD to approve reconfiguration of obsolete efficiencies into one bedroom units where providers are experiencing high vacancy rates. It allows the use of excess proceeds to further the non profits' housing and services mission. To make preservation easier, subordination of debt is permitted. Finally, it creates a new project-based rental assistance program to allow Section 202 properties built between 1959 and 1974 (the oldest segment of the 202 inventory) that do not currently have rental assistance to be refinanced & rehabilitated.

In the 111<sup>th</sup> Congress, the legislation has been introduced in the Senate, but not in the House.

## **Tax-Related Housing Bills**

**\*New\***

**H.R. 1 (P.L. 111-5): The American Recovery and Reinvestment Act of 2009**

**Sponsor: Rep. David Obey (D-WI)**

**Position: Strongly Support**

The legislation makes supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and fiscal stabilization to help restart the ailing economy. The bill includes \$2.25 billion for LIHTC gap financing through HOME, \$2 billion to help fund the Project-Based Section 8 shortfall, \$1 billion in CDBG, \$2 billion for the redevelopment of abandoned and foreclosed homes, and \$250 million for energy retrofitting and green investments in HUD-assisted housing projects. The bill also includes a provision where states could exchange up to 40% of their 2009 LIHTC authority for cash at 85 cents for each dollar of LIHTC.

However, the legislation does not include an accelerator to make LIHTC more attractive to investors nor does it include a 5-year carry-back for LIHTC, which could be used to offset the alternative minimum tax. NAHMA plans to request legislation to help address the long-term needs of the LIHTC program.

The President signed this bill into law on February 17, 2009.

## **Budget Appropriations**

\*NAHMA generally does not list a public policy position on appropriations bills, but we do actively work to achieve the highest possible funding levels for multifamily housing programs.\*

**\*New\***

**H.R. 1105: FY 2009 Omnibus Appropriations**

**Sponsor: Rep. David Obey (D-WI)**

Last September, Congress failed to pass FY 2009 Appropriations on time. Instead, government funding for FY 2009 was done through a continuing resolution, providing money to federal programs at FY 2008 levels through March 6, 2009. H.R. 1105 would provide the actual appropriations for the fiscal year ending September 30, 2009.

*Key HUD FY 2009 Appropriations Accounts from H.R. 1105*

- Tenant-Based Rental Assistance Appropriation: \$16.8 billion
- Project-Based Rental Assistance Appropriation: \$7.1 billion, \$400 FY 2010 Advanced Appropriation
  - Project-Based Section 8 funding also received a major boost from H.R. 1, the American Reinvestment and Recovery Act, i.e. the Economic Stimulus, of \$2 billion to help fund program shortfalls.
- Limited English Proficiency (LEP) Funding: \$500,000
- Section 202 Housing for the Elderly: \$765 million
- Section 811 Housing for the Disabled Appropriation: \$250 million
- HOME Appropriation: \$1.825 billion
- FY 2009 CDBG Appropriation: \$3.9 billion (formula grant)
- Hope VI Appropriation: \$120 million

It is important to note that the House Appropriations Committee has directed HUD in its explanatory statement to prioritize the needs of the Project-Based Section 8 program when making decisions about the Working Capital Fund investments in systems and applications. The committee has also directed HUD to submit a plan to the House and Senate Appropriations Committees by June 15, 2009 on the steps it will take to reduce the problems of late payments and to better track the contracts for Section 8.

*Key RHS Accounts in the Agriculture Appropriations Bill*

- Section 515 Appropriation: \$65.9 million
- Section 521 Rental Assistance Appropriation: \$902.5 million- through FY 2010
- Section 538 Loan Guarantee Program Appropriation: \$129 million
- Multifamily Housing Revitalization Program Account: \$27.7 million

The House has approved the FY 2009 Omnibus Appropriations. At press time, it was under consideration in the Senate.