

Ensuring NAHMA Members Receive the Latest News and Analysis of Breaking Issues in Affordable Housing

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Presidential Elections 2012

Effective Date

The 113th Congress will convene on January 3, 2013.

Background

On November 6, voters across the country maintained the current balance of power in the Executive and Legislative branches of government. Democratic President Barack Obama was re-elected. The Republicans maintained control of the House and the Democrats kept their hold on the Senate.

The results of these elections have implications for the leadership of each chamber, and the committee chairmanships. Generally speaking, the party with the most members in each chamber sets the agenda for consideration of bills and controls the committee chairmanships.

Summary

Despite record amounts of money being spent on the federal campaigns, the status-quo prevailed in the 2012 Presidential election. President Obama won re-election with 332 electoral votes to Republican Mitt Romney's 206. Obama also won 50.4% of the popular vote, barely edging out Mitt Romney.

The Democrats increased their majority in the Senate by one. The Senate is divided between 53 Democrats, 45 Republicans, and two Independents¹.

¹ Both independents—Bernie Sanders of Vermont and Angus King of Maine—plan to caucus with Democrats in the Senate, effectively giving them 55 votes.

The Democrats will not have a filibuster-proof majority in the Senate. The term “filibuster” refers to a parliamentary procedure in the Senate where a senator, or a series of senators, may speak for as long as they wish on any topic they choose. The goal of a filibuster is to delay or prevent consideration of a piece of legislation or a nomination, which requires Senate confirmation. A filibuster may only be broken when 60 of the 100 Senators decide to end the debate by invoking cloture.

In the House, the Republicans maintained their majority but lost *at least* four seats to the Democrats. Currently, the *New York Times* is reporting that the Republicans have 233 seats and the Democrats have 199 seats, with three races currently too close to call. Of those three races, two are currently leaning Democratic, while one is leaning Republican.² NAHMA has reached out to the House Clerk’s office to confirm these numbers. However, the Clerk informed us that the official numbers are not available at this time.

As a result, the Republicans will control key committee chairmanships in the House and the Democrats will maintain control of key committee chairmanships in the Senate.

The 113th Congress has a difficult agenda ahead of it. The House Republicans and Senate Democrats of the 112th Congress were unable agree on ways to address a number of controversial issues, including but not limited to: sequestration, general debt and deficit reduction, housing finance reform, entitlement reform, the expiring tax cuts, and comprehensive tax reform. Many of these issues will likely be pushed into the 113th Congress. Based on the performance and similar make-up of the 112th Congress, NAHMA is unsure if 113th Congress can come together in a bipartisan manner or if the party disagreements will continue to prevent the incoming Congress from addressing these issues.

President

Barack Obama (Democrat)

Obama won both the electoral vote and the popular vote in his re-election campaign. Joe Biden will continue to serve as the Vice President.

There is a public consensus that the Obama Administration and both chambers of Congress need to work together and reach a compromise to improve the economy and halt the impending fiscal cliff—i.e sequestration³ and the expiring Bush tax cuts. In fact, Obama echoed this sentiment in his acceptance speech, as did Romney in his concession speech. However, the Republicans and Democrats still disagree on what policy path to pursue to alleviate sequestration.

Obama’s second term housing priorities will likely focus on single-family housing, primarily preventing and reducing foreclosures and winding down Fannie Mae and Freddie Mac. NAHMA also expects that he will continue to focus on transforming foreclosed homes into rental properties and rehabilitating neighborhoods, which were originally discussed in his 2012 State of the Union address earlier this year.

² “House Map,” Election 2012, *New York Times*, accessed November 20, 2012., <http://elections.nytimes.com/2012/results/house>.

³ Sequestration, if enacted, would cut funding for almost all affordable housing programs—including the tenant-based Section 8, project-based Section 8, Section 202 and 811, and rural rental assistance—by 8.2 percent below the FY 2012 appropriations levels. For more information on sequestration, please see NAHMA Analysis 2012-1023 “Sequestration Implementation Update” located here: <http://www.nahma.org/member/NAHMAAnalysis/NAHMAAnalysis%20Sequestration%20102312.pdf>

HUD Secretary Shaun Donovan has indicated that he would like to continue serving in his position during Obama's second-term. The President has named Secretary Donovan as the point-person for Hurricane Sandy recovery efforts.

DISCLAIMER: The elections for the Democratic House Leadership have not yet been completed. Further, the committee and subcommittee chairs have not yet been officially named. *The analysis below represents predictions based on the best information available at this time.*

House Leadership

113th Congress Speaker of the House: John Boehner (R-OH)

The Speaker of the House must be elected by the entire House as the first order of business in the new Congress. It is worth noting that the Speaker is also third in the line of succession for the Presidency, behind the Vice President. The Speaker controls the agenda for the House.

John Boehner will be the Speaker of the House in the 113th Congress. He has enough votes in his caucus to win the Speaker election that will be held in January 2013.

113th Congress Majority Leader: Eric Cantor (R-VA)

The Majority Leader schedules votes on the House floor, and is charged with making sure the proverbial "trains run on time." He will oversee the day-to-day operations of the legislative agenda.

Eric Cantor will be the House Majority Leader in the 113th Congress.

Predicted 113th Congress Minority Leader: Nancy Pelosi (D-CA)

The Minority Leader is the recognized leader of the party with fewer members.

Nancy Pelosi will likely retain this position. Currently, House Democrats plan to hold their informal leadership senior leadership election during the week of Monday November 26.

Senate Leadership

Majority Leader: Harry Reid (D-NV)

In the Senate, an individual becomes majority leader if he was the elected leader of his party and has the most Senators caucusing, or aligning themselves, with his party. The Senate Majority Leader is a position recognized by tradition, not a full vote by the Senate. The Senate Majority Leader's job is to set the agenda for each chamber; he decides what business comes to the Senate floor, and when it gets a vote.

Harry Reid will be the Majority Leader.

Minority Leader: Mitch McConnell (R-KY)

The Senate Minority leader is the recognized head of his or her party. He is generally the person who tries to ensure that his party members get an opportunity to vote on desired amendments, and negotiates time agreements on debate and amendments with the Majority Leader.

Mitch McConnell will be the Senate Minority Leader.

House Committees

Republicans and Democrats have their own rules for choosing committee chairman. The House—particularly the House Republican Conference—considers seniority as one of several factors when determining committee leadership. Committee chairs control the legislative agenda, schedule, and enjoy subpoena power. They are members of the majority party. Ranking Members of the committees lead the minority party. They do not control the agenda or schedule of the committees, but they can be influential in crafting legislation and choosing witnesses at hearings.

The Republicans and Democrats started discussing new committee leadership and seat assignments this month. The Republicans plan to vote on their House committee leadership assignments on November 28. The Democrats have not determined when they will vote on their committee leadership assignments.

This section will be updated when those assignments are announced. Once committee chairs are chosen, the chairs will select the various subcommittee chairs.

House Financial Services Committee

Predicted 113th Congress Chairman: Jeb Hensarling (R-TX)

Predicted 113th Congress Ranking Member: Maxine Waters (D-CA)

Predicted 113th Congress Insurance, Housing, and Community Opportunity Subcommittee Chairman: Uncertain

Predicted 113th Congress Insurance, Housing, and Community Opportunity Subcommittee Ranking Member: Uncertain

The House Financial Services Committee and its Subcommittees have oversight responsibility of HUD and the Rural Housing Service. As the appropriate “authorizing committee” for housing issues, consideration of most new housing-related legislation in the House begins here.

Spencer Baucus (R-AL) can no longer serve as Committee Chair due to term limits and will not seek a waiver to do so from the Republican Steering Committee.⁴ Jeb Hensarling (R-TX) is expected to take the Chairmanship because he is currently the Vice-Chair of the Committee.

⁴ House Republicans currently limit the number of years that an individual Representative can serve in a Committee leadership position to six. The House Republicans count both the time served as Ranking Member and/or Chair of a Committee/Subcommittee toward these limits. Any member wishing to retain their leadership position must receive a waiver from the Republican Steering Committee. Waivers have only been granted a handful of times since the term-limits’ inception.

Because Barney Frank (D-MA) opted not to run for re-election, the Ranking Member seat on the Committee is open. Maxine Waters (D-CA) is the current Vice-Chair on the Committee and, therefore, is next in line for the position. Waters has generally been a strong supporter of affordable housing programs.

The House Financial Services Insurance, Housing, and Community Opportunity Subcommittee, however, has significantly more uncertainty regarding its leadership. The current Chair, Judy Biggert (R-IL), lost her re-election campaign and will not be returning in the 113th Congress. Subcommittee Vice-Chair Robert Hurt (R-VA) and Gary Miller (R-CA) are the most senior Republicans in the Subcommittee and would be next in line for the position. Although the current Ranking Member Luis Gutierrez (D-IL) won his re-election, there are rumors that other Democrats on the Subcommittee are interested in position, like Rep. Emmanuel Cleaver (D-MO). Cleaver actually lived in HUD-assisted housing and is a very strong advocate for HUD programs. NAHMA will provide members with additional information on the Subcommittee leadership as it develops.

NAHMA expects that the House Financial Services Committee priorities for the 113th Congress will be similar to those of the 112th Congress. NAHMA believes the Committee will pursue improving FHA solvency, winding down Fannie Mae and Freddie Mac, comprehensive housing finance reform, and Section 8 voucher program reforms. We also believe that the Committee will continue its oversight of HUD management and programs, including the HOME program and FHA.

Appropriations Committee

Predicted 113th Congress Chairman: Harold Rogers (R-KY)

Predicted 113th Congress Ranking Member: Marcy Kaptur (D-OH)

Predicted 113th Congress T-HUD Subcommittee Chairman: Tom Latham (R-IA)

Predicted 113th Congress T-HUD Subcommittee Ranking Member: Ed Pastor (D-AZ)

Predicted 113th Congress Agriculture Subcommittee Chairman: Jack Kingston (R-GA)

Predicted 113th Congress Agriculture Subcommittee Ranking Member: Sam Farr (D-CA)

The Appropriations Committee decides how much money federal programs will receive each year and how the agencies will use that money. Its jurisdiction is limited to funding discretionary programs. It does not fund entitlements such as Social Security. The Transportation-HUD Subcommittee is responsible for funding HUD programs. The Subcommittee on Agriculture funds USDA-RHS programs.

Harold Rogers (R-KY) will likely retain the Chair position on the Committee. Current Ranking Member Norm Dicks (D-WA) decided not to run for re-election this year. Marcy Kaptur (D-OH) is the current Vice-Chair of the Committee and, therefore, is next in line for the position. Kaptur is a very strong supporter of multifamily affordable housing programs, especially project-based Section 8.

Tom Latham (R-IA) is expected to remain the Transportation-HUD Subcommittee Chairman. Current Subcommittee Ranking Member John Olver (D-MA) is retiring after this year and did

not run for re-election. Ed Pastor (D-AZ) is the most senior Democrat on the Subcommittee and is next in line for the Ranking Member position.

Jack Kingston (R-GA) is expected to remain the Agriculture Subcommittee Chair, while Sam Farr (D-CA) is expected to maintain his Ranking Member position.

The Obama Administration and Congress continue to agree that cuts need to be made to the federal budget. However, the Administration and Congress will probably continue to disagree on how much should be cut and where those cuts should come from. Furthermore, both the House and Obama Administration supported providing funding for the project-based Section 8 program only through the end of FY 2013 (September 30, 2012), which could lead to delayed or partial housing assistance payments (HAP) down the road. However, the Senate Appropriations Committee supported fully-funding the project-based Section 8 contracts for their full 12-month terms at renewal, which would ensure that HAP payments would continue to be made in full and on time to contract holders.

NAHMA understands that obtaining any increases in funding for multifamily housing programs—particularly the project-based Section 8 program—in the 113th Congress will be incredibly difficult. The amount of appropriations available will be shrinking each year for the next several fiscal years, as required by the discretionary spending caps in the Budget Control Act and, if enacted in January 2013, sequestration. Nevertheless, we remain committed to working with the Obama Administration and Congress to ensuring full-funding for all rental assistance programs and protecting the funding of all other programs that support multifamily housing.

Ways and Means Committee

Predicted 113th Congress Chairman: Dave Camp (R-MI)

Predicted 113th Congress Ranking Member: Sander Levin (D-MI)

This is the tax-writing committee and the authorizing Committee for entitlement programs such as Social Security, Medicare, etc. Legislation to amend the Low Income Housing Tax Credit (LIHTC) program falls under the jurisdiction of this Committee.

Dave Camp (R-MI) will likely remain the Committee Chair, while Sanders Levin (D-MI) will probably retain the Ranking Member position in the 113th Congress.

NAHMA believes the Ways and Means Committee will focus on extending the 2001 and 2003 Bush tax cuts for all income brackets, entitlement reform, and general tax reform in the new Congress. This Committee did very little regarding reform or tax credit extension legislation for the LIHTC program in the 112th Congress. It is unlikely that the tax credit will be a high priority in the 113th Congress, unless it is considered in conjunction with other tax loopholes as part of larger tax reform efforts.

Senate Committees

While there are specific procedures followed by the Republican and Democratic caucuses in selecting committee chairmen, the tradition of the Senate generally recognizes that the member of the majority party having the most seniority on the committee becomes chairman. Likewise, the member of the minority party who has the most seniority on the committee becomes the ranking member.

There will be very few committee leadership changes since the Democrats retained control of the Senate and none of the current committee leaders retired or lost their reelection campaigns. At this time, neither the Republicans nor the Democrats have determined when they will vote on their respective committee leadership assignments.

Banking, Housing & Urban Affairs Committee

Predicted 113th Congress Chairman: Tim Johnson (D-SD)

Predicted 113th Congress Ranking Member: Mike Crapo (R-ID)

Predicted 113th Congress Housing, Transportation, and Community Development Subcommittee Chairman: Robert Menendez (D-NJ)

Predicted 113th Congress Housing, Transportation, and Community Development Subcommittee Ranking Member: Jim DeMint (R-SC)

The Banking Committee is the Senate counterpart to the House Financial Services Committee. The Subcommittee on Housing and Transportation is the counterpart to the House Subcommittee on Housing and Opportunity.

Tim Johnson (D-SD) is expected to maintain the Committee Chair position. Richard Shelby (R-AL) has reached his limit on the number of years that he may serve as the Ranking Member for the Committee.⁵ He is also a candidate for the Senate Appropriations Committee Ranking Member position. Mike Crapo (R-ID) is next in line for the position.

NAHMA expects the Committee to continue its discussions and investigations surrounding housing finance reform in the 113th Congress. However, Chair Johnson has given no indication that he might propose any actual reform legislation during the upcoming session. We also believe that the Committee will examine FHA solvency in the 113th Congress.

Robert Menendez (D-NJ) is expected to remain the Housing and Transportation Subcommittee Chair, while Jim DeMint (R-SC) is expected to retain the Ranking Member position. Senator Menendez is a strong supporter of affordable housing programs. He has introduced legislation increase the number of Section 811 properties, reform the Section 811 program, introduced LEP authorizing language, and has voiced strong support for Section 8 voucher reform.

In the 112th Congress, Menendez held a hearing regarding Section 8 housing choice voucher reform. NAHMA understands that the Senator is interested in moving some Section 8 reform

⁵ Senate Republicans currently limit the number of years that an individual Senator can cumulatively serve in a Committee Chair or Ranking Member position to six. Unlike the House, the Senate does not count years previously served as a Ranking Member into the time served as the Chair. However, once a Senator logs a total of six years in a Chair position, they have no more time available as Ranking Member. Please note that Senate Democrats do not have similar limitations.

legislation forward. However, we are unsure of when or what types of provisions the legislation may contain. Again, NAHMA will keep members informed as more information becomes available on these issues.

Appropriations Committee

Predicted 113th Congress Chairman: Daniel Inouye (D-HI)

Predicted 113th Congress Ranking Member: Richard Shelby (R-AL)

Predicted 113th Congress T-HUD Subcommittee Chairman: Patty Murray (D-WA)

Predicted 113th Congress T-HUD Subcommittee Ranking Member: Susan Collins (R-ME)

Predicted 113th Congress Agriculture Subcommittee Chairman: Uncertain

Predicted 113th Congress Agriculture Subcommittee Ranking Member: Roy Blunt (R-MO)

Like its House counterpart, the Senate Appropriations Committee decides how much money federal programs receive, and how it should be spent. The subcommittees noted fund HUD and USDA-RHS programs.

Daniel Inouye (D-HI) will remain Appropriations Committee Chair. Although Thad Cochran (R-MS) is the current Ranking Member, he has reached the maximum number of years he can serve in the position under current Senate Republican rules.⁶ Unless these rules are waived, Richard Shelby (R-AL) is next line for the position. Shelby has served as the Ranking Member on the Senate Banking Committee and is extremely familiar with affordable housing issues.

Patty Murray (D-WA) is expected to remain Chair of the T-HUD Subcommittee, while Susan Collins (R-ME) is expected to retain the Ranking Member position. Both Murray and Collins have been excellent advocates for the project-based Section 8 program.

The Democratic leadership situation on the Agriculture Subcommittee is rather complicated. Herb Kohl (D-WI), the current chair of the Agriculture Subcommittee, did not run for re-election in 2012. In addition, almost all of the Democrats on this Subcommittee hold the Chair positions on other Appropriations Subcommittees. NAHMA does not believe they are likely to give them up and assume the Agriculture Subcommittee Chair position at this time. Mark Pryor (D-AR) and Sherrod Brown (D-OH), are the only two Democrats on the Subcommittee without other leadership positions in other Appropriations Subcommittees. It is possible one of them may assume the Chairmanship of this Subcommittee. Current Subcommittee Ranking Member Roy Blunt (R-MO) is expected to retain his position.

NAHMA believes that the Senate Appropriations Committee will continue to follow the Budget Control Act's discretionary spending caps to help reduce spending. However, based on its FY 2013 302(b) allocations for the 12 government spending accounts—including the Transportation-HUD account—we do not believe they will pursue additional cuts below these caps, unlike the House Republicans.

In its draft appropriations bill, the Senate Appropriations Committee also supported fully-funding the project-based Section 8 contracts for their full 12-month terms at renewal. This

⁶ Please see the previous footnote for more information.

indicates that Senate Democrats understand the dire consequences that could accompany short-funding the program. We are hopeful that they will continue to do so in future fiscal years.

NAHMA will continue to work with the Senate Appropriations Committee to ensure full-funding for the project-based Section 8 contracts and adequate funding for all other affordable housing programs in the new Congress.

Finance Committee

Predicted 113th Congress Chairman: Max Baucus (D-MT)

Predicted 113th Congress Ranking Member: Orrin Hatch (R-UT)

This is the Senate counterpart to the House Ways and Means Committee. The Finance Committee has jurisdiction for LIHTC bills.

We expect Max Baucus (D-MT) and Orrin Hatch (R-UT) to retain their chair and ranking member positions in this committee, respectively.

Tax reform and extending expiring tax provisions will likely dominate the Senate Finance Committee's agenda in the 113th Congress. It is also important to note that certain members of the Committee are strong champions of the LIHTC program, including Maria Cantwell (D-WA).

Positive Aspects of the Election Outcome

Despite the retirement of many strong supporters of affordable housing programs, NAHMA is pleased to see that some of our Congressional allies may hold key positions of authority in the 113th Congress. NAHMA believes these Members will help protect the funding and operation of affordable housing programs—the project-based Section 8 program in particular—in the new Congress.

In addition, both the Administration and Congress are demonstrating that they are taking the threat of the fiscal cliff seriously. The President and Congressional leaders began their negotiations on the policy package to avert the fiscal cliff on Friday November 16. The self-appointed bipartisan debt and deficit reduction group in the Senate, now known as the “Gang of Eight,” also participated in the conversation.

Nevertheless, it remains to be seen if Republicans and Democrats will be able to agree on how to address the fiscal cliff before the close of the 112th Congress. Obama and the Democrats have publically stated that they will *not back away from increasing taxes on the nation's wealthiest households* in order to help offset some of the cuts in government spending required by sequestration. Speaker of the House John Boehner (R-OH) has said that the House Republicans are open to raising revenues through closing tax loopholes and other deductions. He also announced that the Republicans would be willing to raise fresh tax revenue as long as Democrats agreed to entitlement reforms and *keeping the income tax rate for all earners below 35 percent*. However, Democrats have already publically rejected the Republican call to reduce spending on entitlement programs.

It is quite possible that Congress and the Obama Administration may push back the implementation date for sequestration and the expiration date for the Bush tax cuts, delaying any decisions on these controversial issues until 2013. Furthermore, even if an agreement is reached, the legislative process remains a long and contentious one. Therefore, it is extremely important for NAHMA members to remain active in their grassroots advocacy efforts to keep affordable housing issues at the forefront of Congress's agenda.

Issues of Concern to NAHMA

Continued Partisanship and Decision Delays

The 112th Congress will likely punt decisions on a number of controversial issues into the new legislative session. As a result, the 113th Congress will have an extremely full agenda. Important issues that will need to be addressed within the first 100 days of Congress include: sequestration, the debt ceiling, the FY 2013 appropriations, and expiring tax cuts, such as the Bush 2001 and 2003 tax cuts. Other, longer-term issues facing the 113th Congress include but are not limited to: general debt and deficit reduction, housing finance reform, entitlement reform, and tax reform.

While NAHMA is hopeful that Congress can overcome its partisanship and make meaningful progress toward addressing these issues, we are worried that the divisiveness that has plagued Democrats and Republicans in the 112th Congress will continue into the new session. The parties disagree on the fundamental solutions for many of these problems, which—in addition to the elections—contributed to the delay of any meaningful discussions. Democrats are seeking to increase the tax rate for the wealthy while Republicans oppose any increases in the tax rate at all. The parties also disagree which areas should be targeted for government spending cuts in both the FY 2013 appropriations and sequestration. Republicans oppose cutting spending for security programs and activities; they believe that any spending reductions should be focused on non-security spending areas. Democrats, on the other hand, believe that any spending reductions should be split between security and non-security programs and activities and that entitlement reforms should be left out of the conversation at this time. Both parties will have to sit down and negotiate a deal that will force them to compromise on at least some of these principals. If they cannot reach a deal by late December, Congress will almost certainly continue delay decisions on these issues by pushing back its own deadlines for action. The delays would result in an element of uncertainty in the economy that would ultimately hamper its growth at the time it is most needed.

Further delaying these decisions would also hurt the affordable housing industry, tenants, and local communities. The project-based Section 8 program is already in a period of uncertainty due to proposed short-funding for FY 2013, the continuing resolution, and possible sequestration. Owners and management agents (O/A) with properties in the program cannot accurately budget for the remainder of the current fiscal year to meet their operational needs. Furthermore, these O/As do not know if their properties will receive their full housing assistance payments (HAP) in a timely manner because of the threat of short-funding and sequestration. O/As may need to delay critical rehabilitation for affordable properties, reduce services available to tenants, and/or decrease spending on employee salaries. All of these actions could greatly harm low-income families residing at these properties and negatively impact local economies.

Appropriations and Section 8 Reform

NAHMA is extremely concerned about future appropriations for affordable housing programs, particularly the project-based Section 8 and Section 8 housing choice voucher (HCV) programs. The Section 8 programs represent the majority of HUD's budget and continue to grow each year. In addition, if Congress continues to follow the spending caps set by the Budget Control Act, the allocation available each year for discretionary spending accounts will shrink. This means there will be less funding available for the Transportation-HUD account each fiscal year, which will force the Administration and Congress to make some difficult decisions related to spending on housing programs. That could mean less than full-funding for the HCV and project-based Section 8 contracts and cuts to other programs that support affordable housing in the future. NAHMA fears that this may result in reduced funding for property operations, fewer tenants receiving critical rental assistance, and/or fewer older buildings being rehabilitated.

The appropriations issue also highlights the need for reforms to the Section 8 programs to help reduce future costs. HUD has begun taking regulatory steps⁷ to control the cost of Section 8 housing assistance payment (HAP) contracts; however, these are only temporary fixes. Additional legislative action is needed. HUD, NAHMA, and our industry colleagues support a number of common-sense reforms to the Section 8 housing choice voucher (HCV) that would reduce regulatory burdens on O/As and the cost of program operations to the government. They include streamlining physical inspections and simplifying rent and income calculations. NAHMA and our industry colleagues also support legislative language that would reduce the costly burden of limited English proficiency (LEP) translations to property owners and other recipients of HUD funding.

Despite the bipartisan and industry support for Section 8 HCV reform, Democrats and Republicans have gotten bogged down in the details while working on draft legislation in the 112th Congress—most recently the Affordable Housing and Self-Sufficiency Improvement Act (AHSSIA). This has prevented the House Financial Services Committee from moving items of consensus forward—such as streamlined inspections and rent/income reforms—that would help begin controlling the costs of the HCV program. We fear these disagreements may continue in the 113th Congress.

Finally, NAHMA is concerned that HCV reform may be delayed beyond the 112th Congress by the changing leadership of the House Financial Services Committee in the 113th Congress. Rep. Judy Biggert's (R-IL) office and the House Financial Services Committee staff were responsible for drafting the Section 8 HCV reform bill for the Republicans in the 112th Congress. Rep. Biggert lost her election and we are unsure which staff members plan to work for the Committee in the next Congress. In addition, we do not know who will take over the Chair position on the House Financial Services Insurance, Housing, and Community Opportunities Subcommittee for the Republicans and if they will have any interest in drafting and moving a HCV reform bill forward. Once the new Committee and Subcommittee leadership positions are formally

⁷ Such as limiting rent increases to the Operating Cost Adjustment Factor (OCAF), benchmarking rents to small area fair market rents (SAFMR) in metropolitan areas and fair market rents (FMR) in rural areas, and using funds from residual receipts accounts to offset HAP payments for project-based Section 8 contracts. Please note that NAHMA opposes these regulatory approaches because we believe they are counterproductive to effective property operations, hurt preservation/rehabilitation efforts, and discourage owners from participating in the program. However, we do support HUD's decision to reduce Management and Occupancy Reviews (MOR) for high-performing properties. This type of regulatory policy rewards excellent management, creates incentives for O/As to improve their operations, does not harm property operations or preservation efforts, and reduces the cost of program oversight to the government.

announced, NAHMA plans to meet with them to discuss the future of HCV reform and other critical affordable housing issues.

NAHMA's position

A key tenant of NAHMA's mission is to advocate for the production and preservation of affordable multifamily housing. NAHMA welcomes the opportunity to work with all interested Members of Congress and the Obama Administration to achieve these goals.

As NAHMA reaches out to the 113th Congress on affordable housing issues, we recommend our members to do the same. NAHMA urges members to take NO votes for granted and to make no assumptions about what a Senator or Representative's position will be based solely on party affiliation. Take the time to advocate for the issues that are important to you.

To that end, we would encourage you to use the NAHMA's advocacy tools—including model letters, one-pagers, phone scripts, and the NAHMA Maps visual affordable housing database—to help educate your Representatives about the importance of affordable housing in their Districts and states. For more information about contacting your Representatives or the most pressing issues facing the affordable housing industry, please visit NAHMA's Grassroots Advocacy Website located here: <http://www.nahma.org/content/grassroots.html>

If you have questions about policy issues and/or the legislative process, please contact NAHMA's Government Affairs team—Lauren Eardensohn (lauren@nahma.org) or Michelle Kitchen (michelle.kitchen@nahma.org).

Much work lies ahead in 2013. NAHMA will continue to work with our members, Congress, the Obama Administration, and our industry colleagues to pass critical legislation that will support affordable housing properties and assist low-income Americans nationwide.