



# ADVOCACY IN THE FAST LANE

More than 300  
NAA members met  
with members of Congress  
to address the industry's  
top policy issues.

*BY LAUREN BOSTON*





Colorado Apartment Association members meet with Colorado Rep. Ed Perlmutter and discuss hot-button issues such as financial reform.

## Colorado Challenges Financial Reform

**FINANCIAL REFORM** was the hot-button issue during the Colorado Apartment Association's (CAA) meeting with Colorado Rep. Ed Perlmutter (D-Colo.-7). "There's going to be a housing shortage for the next six to seven years in multifamily housing and we need the financing to keep up with the demand," said Pat Hutchison of Mission Rock Residential. "We don't want Fannie and Freddie to go away, but we want less regulation."

Rep. Perlmutter said CAA was preaching to the choir, but he believes a proper amount of regulation is still necessary.

"I've watched the boom and bust with apartments for a long time," Rep. Perlmutter said. "I want to mellow out those cycles."

Also in attendance were Terry Simone, NAA Region 8 Vice President, Tatianna Gruen, Apartment Association of Metro Denver (AAMD) Government Affairs Manager, and Nancy Burke, CAA Vice President of Government Affairs.

Burke shared with Perlmutter the initiatives AAMD and CAA are currently implementing within their communities, such as offering Landlord 101 classes and working with a start-up company focused on helping renters get credit for paying their rent on time.

Rep. Perlmutter said he was pleased to hear about these developments.

Overall, Burke was pleased with the meeting. "NAA's Capitol Conference provides our industry with an opportunity to 'blanket the Hill' with the multifamily industry message," she said. "We appreciate Congressman Perlmutter's interest, which was illustrated by him asking pertinent questions that fueled a solid discussion that ultimately resulted in a more thorough understanding of our industry's concerns."

## Pennsylvania Addresses Immigration Issues

Apartment Association of Greater Philadelphia (AAGP) members Jenel Marraccini, Esq., and Joshua Klein met with several members of Pennsylvania Sen. Patrick Toomey's (R-Pa.-15) staff to discuss the critical policy issues affecting the apartment industry.

Among the topics of discussion, Klein, President of Bristol Gardens Inc., shared the apartment industry's concerns regarding new immigration laws.

"We are concerned that we, as owners, are being asked to act as the immigration police and collect a multitude of documents from prospective residents—not to mention asking certain questions that may constitute a fair housing violation," Klein said. "We want immigrants to come to us already vetted. We can't be the police. We're owners and managers."

"Those of us who don't work for a large company don't even have the tools or level of sophistication to act as the police," added Marraccini, a Partner of Cohen and Willwerth P.C., a law firm that represents many owners in Pennsylvania and New Jersey.

Klein also challenged the common misperception of multifamily owners, explaining that "the apartment industry and its residents contribute \$1 trillion to the economy and yet everyone thinks apartment owners are wealthy. In truth, most of us struggle every day."

AAGP members assured Sen. Toomey's staff that the Senator



Apartment Association of Greater Philadelphia members discuss immigration laws, among other critical policy issues, with Pennsylvania Sen. Patrick Toomey's staff.



Washington Multi-Family Housing Association members meet with Washington Rep. Dennis Heck's staff to address the misperception of the multifamily housing industry as "big business," among other issues such as immigration and financial reform.

has been "terrific" in his multifamily outreach in the state. The concern, rather, is with his counterparts.

Sen. Toomey's staff was open to AAGP's concerns. "I grew up in Pennsylvania and used to rent," said Senior Financial Services Counsel Dina Ellis Rochkind. "These issues cross-cut many of our roles in the office. Our door is always open; feel free to call us anytime."

Although Klein said it would have been nice to have had the Senator present for the meeting, he is confident the Senator's "hard-working and knowledgeable staff" will convey AAGP's message to him.

"Not only do we rent to Sen. Toomey's constituents, but many of us owners are also represented by him," Klein said. "Hill day was a great opportunity for apartment owners and managers to tell real stories and put real faces in front of our lawmakers and their staffs. They get lots of notes and letters, but a visit can be more memorable for them."

## Washington Stands Up for Multifamily

Money matters.

"Financing affects whether apartments are built and in what areas and under what terms," explained Jim Wiard, Executive Director of the Washington Multi-Family Housing Association (WMFHA), during his meeting with Washington Rep. Denny Heck's (D-Wash.-10) staff members. "Multifamily needs more supply to meet the growing demand. People need a place to live and raise their families as more jobs become available. Multifamily should be considered a separate side of the GSEs. We need that financing."

WMFHA members Jay Olson and Greg Cerbana joined Wiard, and shared the importance of supporting the multifamily indus-

try during a time when 80 million Echo Boomers are set to enter the housing market during the next five years.

"We're looking forward rather than in the past or present," Wiard said. "We're looking at renting as a lifestyle choice."

Brendan Woodbury, Rep. Heck's Legislative Assistant, said that although lenders are more willing to take risks with multifamily than single-family, he believes that the apartment industry is actually at greater risk than single-family when it comes to future finance reform.

In addition to finance reform, the WMFHA members also discussed immigration issues.

"In the absence of federal legislation, different states are tackling immigration in different ways," said Cerbana, Director of Public Relations for Kirkland, Wash.-based Weidner Apartment Homes. "We do a lot of things very well, but determining someone's legal status isn't—and shouldn't be—one of those."

Finally, Olson tackled the misconception of the multifamily housing industry as "big business," explaining that most owners operate small businesses with sole-proprietorship.

"The recession caused us to slow down," said Olson, Board President of WMFHA. "From a tax standpoint, we need a pro-growth structure that allows us to continue developing."

Wiard considered the visit a success.

"We were able to convey our positions on key reform measures as well as educate our members on Capitol Hill of the vital interests important to the apartment industry," he said. "Our time with all of our Congressmen, Senators and their respective staffs was very productive."

## Southern States Tackle Taxes, Finance

When members of the Alabama Apartment Association met with Sen. Jeff Sessions' (R-Ala.) Legislative Director, Sandra Luff,



Frank Barefield and other Alabama Apartment Association members meet with Sen. Jeff Sessions' Legislative Director to address proposed changes to the IRS section 263 repair rules, among other concerns.



Georgia Apartment Association members met with Sen. Johnny Isakson to talk immigration and housing finance reform.

they wanted to address their concerns regarding immigration, housing finance reform and multiple tax reform issues. Specifically with regard to tax reform, they discussed the proposed changes to the Internal Revenue Service section 263 repair rules.

If enacted in their present form, these rules would significantly change the administrative recordkeeping required for all multifamily properties and reduce the amount of deductions allowed by requiring, among other things, that all repair and maintenance expenditures greater than \$100 be analyzed to determine if they should be capitalized and depreciated over a future period of time or expensed in the year of the expenditure.

“This increased complexity and administrative burden will result in increased management fees charged to property owners, and is so complex that very few taxpayers will apply the rules properly,” said Frank Barefield, owner of Abbey Residential, who was joined by Michelle Childers, Apartment Finder, and Leslie Yeilding, Vice President and General Manager, EBSCO Income Properties, LLC. “Anytime there is a change in accounting method—and complying with these rules would constitute one—tax form 3115 would need to be completed. This process would require reviewing hundreds or thousands of transactions to determine what those changes would be.”

Luff said Sen. Sessions is here for multifamily and will help in any way he can.

Later in the day, the Georgia Apartment Association (GAA) met with Sen. Johnny Isakson (R-Ga.) to discuss both housing finance reform and immigration.

Tom Aderhold, CAPS, President of Aderhold Properties Inc., agreed that Fannie and Freddie need to be restructured, but requested that the apartment industry not get clobbered in the process.

Sen. Isakson said he has introduced a reform bill that would combine Fannie and Freddie into one entity, and maintain a government guarantee while establishing a new system to privatize the entity at the end of 10 years.

“We have to bring back residential construction in both single-family and multifamily housing,” Isakson said. “Without housing, we won’t have a robust economy. Every reform needs to be prospective and as fair as possible.”

As for immigration, Sen. Isakson said the solution is to require all citizens to have a verifiable ID card with either a thumb print or retina scan that can’t be duplicated. “The police need to be at the border, not at the residence.”

Aderhold said GAA had a great experience on the Hill.

“GAA has been involved with these visits for quite some time, and has thoroughly enjoyed learning the processes of government,” said Aderhold, who represented GAA along with 13 other members. “It has allowed us to better familiarize ourselves with the NAA’s goals, needs and issues. More importantly, it has allowed us to cultivate personal relationships with legislators to effectively assist and inform the leaders of Congress. Sen. Isakson has been a good friend over the years and is exceptional with his grasp of the issues that affect our industry.”

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## Investing in NAA’s Political Strength

*Advocacy does not just occur once a year at the NAA Capitol Conference; it is an ongoing aspect of political affairs. One key element is the PAC, an effective way for individuals to join together to participate in national politics and have one unified voice representing thousands of individuals.*

*The PAC 101 Webinar series kicked off with guest panelists David Mason, Senior Vice President, Compliant Services at Aristotle International and former FEC Chairman; Hannah Wesolowski, Manager, Political Involvement Practice at the Public Affairs Council; Brenda Wells, Executive Director of Greater Lexington Apartment Association; and Denise Hrabosky, Education & Membership Director of Piedmont Triad Apartment Association.*

*The PAC 101 Webinar tied in to the Advocacy Education Sessions at the NAA Capitol Conference that included case studies from different affiliate members on their experiences in PAC fundraising.*

*For information on the PAC Webinar series or the Advocacy Education Sessions, contact Kathleen Gamble at [kathleen@naahq.org](mailto:kathleen@naahq.org) or 703/518-6141 ext. 123.*

*For NAA Advocacy webinar information and a list of future offerings, please visit [bit.ly/AdvocacySched](http://bit.ly/AdvocacySched)*