

MHProNews ran a WORD search of this document on 9.25.2025.

30 mentions of manufactured housing in 6.5 hour meeting video. First mention of manufactured housing 21:55

Per a WORD search of the transcript there is no mention of the Manufactured Housing Improvement Act of 2000.

The word "preemption" is found twice (below)

The words "enhanced preemption" are not found (below).



<https://www.youtube.com/watch?v=dvqu9KTSzvE>

[2024 Terwilliger Center Summit on Housing Supply Solutions](#)

Transcript

0:01 well good morning everyone good morning I'm Dennis Shay I'm the executive director of bpc's J
0:09 Ronald twilliger Center for housing policy and I'm thrilled to welcome you
0:15 to our third Summit on housing Supply Solutions uh it's wonderful to see so
0:21 many friends here uh familiar faces along with many others uh dedicated to
0:27 tackling our nation's housing shortage AG uh Margaret spellings bpc's president
0:34 and CEO was originally scheduled uh to welcome you this morning unfortunately
0:39 Margaret is not feeling well today and deeply regrets uh not being here uh to
0:44 join us so Margaret if you're you if you are watching online uh we all wish you a
0:49 swift recovery and return to Good Health when bpc launched the tiiger
0:56 center in 2021 we did it with a clear mission to identify and Advance
1:02 bipartisan policies to help ensure every family can have access to a safe and
1:07 affordable home this mission is now more important than
1:13 ever as a nation we have underbuilt housing by millions of homes since the
1:18 Great Recession creating a significant gap between supply and
1:24 demand over the past four years in case you haven't noticed uh rents and home
1:29 pric prices have skyrocketed as a result the lack of affordable housing
1:36 options has severely impacted Americans in communities across the country around

1:42

half of renters now spend a third of their income or more on housing an

1:48

increasing number of households are postponing the dream of home ownership and some 650,000 individuals

1:57

are homeless On Any Given number if I may say so and I'm a little bit

2:03

biased the twilliger center housing team has risen to the challenge providing

2:09

crucial thought leadership and positioning bpc as an essential partner

2:14

for policy makers on both sides of the aisle we have worked to build support

2:20

for common sense bipartisan Federal initiatives such as expanding the low-income housing tax credit and

2:27

passing the neighborhood homes investment Act we have also highlighted successful

2:32

zoning and land use reforms and proposed ideas to encourage further Innovations

2:39

unlocking the potential of local reforms to boost housing Supply we have particularly relished

2:47

serving as a convenor for essential discussions on key areas of housing

2:52

policy as is clear from the many inspiring speakers who have joined us for today's Summit

2:59

so I am personally proud of the tager center the role the toer center has played in shining a much needed

3:07

Spotlight on America's housing challenges and advancing the

3:12

conversation but our goal is not just to talk it is to push forward meaningful

3:19

Solutions here in Washington as well as in state capitals and City Halls

3:25

throughout the country in keeping with our mission we will focus today on areas of housing

3:31

policy that present opportunities for broad bipartisan support we will hear

3:37

from members of the Biden Administration Democratic and Republican members of Congress corporate leaders and experts

3:44

from diverse backgrounds who will share insights on what we can do to increase the supply of affordable homes and

3:52

support those struggling with high housing costs these kinds of discussions

3:57

are bpc's bread and butter uh despite our often uh divided political landscape

4:03

we believe there is real momentum to making housing affordability a national

4:08

priority before we kick off today's event I would like to thank all of our sponsors for making this event possible

4:15

your generosity is much appreciated I especially want to thank Ron twilliger for his steadfast support we are here

4:23

today in no small measure because of Ron's leadership [Applause]

4:34

finally I want to thank all of you uh for joining us both in person and online

4:40

this is a great crowd I am confident that working together uh we can make a difference with that in mind I'm truly

4:47

excited to introduce and welcome the distinguished participants of our initial fireside

4:53

chat Daniel Hornick is deputy director of The White House National Economic

4:59

Council where he focuses on housing policy uh roniger is Chairman am Meritus

5:06

of tremI Crow residential company and the founder of bpc's twilliger Center for housing policy among many other

5:13

titles Julia Gordon uh is the assistant secretary for housing and federal

5:19

housing commissioner at the US Department of Housing and Urban Development and mo moderating the

5:25

discussion will be none other than Henry csos former secretary and mayor of San

5:31

Antonio and now bpc board chair now it's a special day for Henry uh so before I

5:38

turn it over to him I'd like to every like to invite everyone to join me in

5:43

Wishing Henry a very happy birthday

5:49

and thank you very we're not going to we're not going to sing but we have a small treat Henry

5:56

for you thank you thank you very much Dennis thank you

6:05

just what I always wanted to do for my birthday is to moderate a panel at the J

6:11

williger Center in Washington um thank you Dennis for your great work in heading the terer center I

6:19

want to thank the bpc which is the host for the turer center and Margaret

6:24

spellings uh and of course roner williger who lent his name and resources

6:30

to building this think group on housing and Dennis is exactly the right the

6:35

right person uh to run it um thank you for the honor of being asked to chair

6:43

this opening session and I'd like to begin by asking Ron and our our guests

6:50

to address a particular Point uh in his remarks Dennis said perhaps this is a

6:57

more important moment than ever with with respect to housing policy other people have called it a housing crisis

7:05

I'd like to ask Ron and let me just say as a quick aside Ron uh is one of the

7:10

most amazing housers in the country not only having built about 200,000 units of

7:17

multif family housing in his career at tramI Crow but then in the years post

7:23

private sector career uh has headed Habitat for Humanity the Enterprise

7:28

Foundation created this trer Center a housing center at the Urban Land Institute and

7:34

given the largest gift ever given in the United States that was not to a hospital or a university when he gave a hundred

7:42

million to Habitat for Humanity Ron thank you for your

7:49

service but let me ask each of you and we'll go in turn here beginning with Ron

7:56

do we have a housing crisis is the United States is it true that this is a

8:02

moment unlike others and if so why is that yeah thank you Henry and thank you

8:09

all for being here with us today um I'm a Houser I've been in housing for 55

8:14

years now I've been in affordable housing probably for about 25 I've on habitats board that long um I used to

8:23

call housing a silent crisis um interestingly Dennis and I

8:28

work together together before we got back together here I had a foundation at one point in time uh talking to people

8:36

in Congress we must have talk to 60 senators and congressmen about housing

8:41

and what I was amazed to find out was that very few of them knew there was a housing crisis in this country it was

8:49

almost like we had to explain there was a crisis and then why it mattered and

8:54

what to do about it um so I think the crisis is much more on the surface now

9:01

Henry uh it it's hard as difficult it is for so many Americans to afford housing

9:07

uh for it not to be obvious to politicians a habitat interestingly I

9:13

just co-chaired a US advocacy campaign where we went to States and local jurisdictions to talk to them about what

9:21

they could do uh about helping to improve the housing crisis Dennis mentioned in his opening remarks uh half

9:29

of renters which make up uh about 35% of the American public are cost

9:36

burdened spending more than 30% of their income on housing actually about a quarter spend more than

9:41

50% um but as you noticed uh as you as you advised us we're four or five

9:48

million housing units short um in this country and people like me I'm still in the development business would love to

9:55

build it but without subsidy uh the American public cannot afford it and

10:00

costs have gone up significantly since Co and incomes haven't kept up so I

10:06

think it's a worse crisis than it has been before and it's no longer a silent crisis Ron if you were to have to put

10:13

your finger on the essence of it would you say fundamentally supply and demand

10:19

mismatch is that the problem yeah we we we have more demand than we can meet

10:26

with the supply at the price we can afford to deliver the product okay we'll get back into that more in a moment when

10:32

we talk about programs and such that can offset the problem and whether or not we've got the right mix of policies

10:37

today but let me go to Dan uh who is the deputy director of the National Economic

10:43

Council and you may remember when The Economic Council was created to coordinate amongst all of the

10:49

Departments that have anything to do with the economy out of the White House so Treasury and U OMB and the critical

10:58

departments like labor and and um housing and others all involved Ron

11:04

Ron's I mean Dan's background uh is that before assuming this position he was

11:10

Special Assistant to the president for economic policy at the time that there was need for coordination that resulted

11:17

in the American Rescue plan the inflation reduction Act and the administration's housing Supply action

11:24

so you're exactly the right person if you want to hear from the White House on this question

11:30

are we in a different time with respect to housing and what would you say is you know the pinpoint core of it I think we

11:37

are in a different moment with respect to housing but it's also important not to lose sight of the fact that this

11:43

crisis which it is grew over a substantial period of time so you know

11:49

in particular I think about after the financial crisis the pullback we saw and new housing coming online and we

11:56

basically had a decade plus of underbuild building that helped give us the supply demand mismatch that we have

12:03

now that has led to some of the significant home price increases and Rental increases we've seen I think

12:09

there's another challenge we have which is even if our Market was in better

12:14

balance between supply and demand uh we still would have significant portions of

12:20

renters in particular uh who because they're incomes are not high enough would not be able to afford market rate

12:27

housing so we need both inter itions on the supply side uh to make sure we're building more preserving more and we

12:34

need interventions to make sure the lowest income renters have support and lowincome uh and low wealth aspiring

12:42

homeowners uh can get into Home Ownership I just very briefly say I think the other thing uh we've gotten at

12:49

this a little bit but the other thing that makes this moment uh different is political and it's that this is no

12:55

longer a coastal city issue this is truly an issue all over the country and

13:01

even though I started with a little bit of pessimism about uh where we are and how long this crisis has been growing I

13:07

think the thing that gives me optimism is that this issue is now front and center and policy makers including us on

13:14

the stage including those in Congress critically including those at the state and local level uh have to do something

13:20

about it um you you accomplished something on your watch that is every HUD secretary's

13:27

dream and that is to get the president to talk about housing in the State of the Union right actually the president

13:33

actually uttered an entire paragraph of substance about housing and part of that

13:39

was the administration's housing Supply action give us a quick update on how

13:45

that is unfolding I'll just say the night before the state of the union we asked the White House librarian to check

13:50

uh when the last time a president in the State of the Union spent that much time on housing and she said it was LBJ so um

13:57

that's something once in every 50 year is not bad exactly um you know we we

14:02

launched the supply action plan because we wanted to send a very clear signal that Congress and the executive branch

14:09

need to do something about boosting housing Supply we need a coordinated effort and a coordinated effort uh

14:15

across federal agencies and with state and local governments the private sector nonprofits Etc um so there are you know

14:23

three big uh pillars to the supply plan uh doing everything we can to reduce

14:28

barriers to build including at the state and local level expanding improving

14:33

existing forms of Federal Financing and then expanding into new ones as well um

14:38

and I'll just briefly uh say on each I think we're making important progress we need Congress to act uh to do do things

14:46

like expand the low-income housing tax credit to really get at the longstanding barriers we face but I think we are

14:53

making progress against what we committed to in that uh Supply plan uh on the reducing barriers front um uh HUD

15:00

has uh launched a firstof its- kind Pro housing uh uh grant program to State and local governments that are reducing

15:07

barriers to build uh they will be uh in the coming weeks announcing the first set of recipients of that across the

15:14

country and then also launching the second round that's an important step forward um on the uh improving existing

15:21

forms of Federal Financing Commissioner Gordon will probably uh talk about the

15:26

uh HUD and treasury risk share program which is really providing an important tool to State Housing Finance agencies

15:33

to finance the construction and operation of affordable housing another item that I'd emphasize is the uh

15:39

regulatory changes that the treasury Department has made to the low-income housing tax credit to make it easier to

15:45

build mixed income housing uh uh a set of changes that they made to rescue plan

15:50

funding to really make it easier for state and local governments to fund substantial uh construction of

15:56

affordable housing using those flexible and then on the kind of new kinds of

16:02

Federal Financing that we're piloting one that we've launched that I'd emphasize that we're continuing to work

16:07

on is the Department of Transportation has opened up um a set of Transportation

16:13

lending programs that can now be used for housing near transportation for

16:19

Transit oriented development near Transportation um they are working through changes that can be made to that

16:25

program to really make it work for housing but I'm hopeful that in the uh weeks ahead we'll continue to make

16:32

programmatic changes there that really make it so that over the long term that's a tool that can be used for housing that hasn't been in the past

16:39

thank you um Julia uh heads the FHA and as such has the title assistant

16:44

secretary for housing uh within the Department of Housing and Urban Development to be the person who's it's

16:51

the largest part of Hud is housing uh housing

16:56

uh single family homes uh multif family homes uh mortgage insurance Julia's

17:02

background includes time at the center for American progress the federal Housing Finance Agency and the center

17:08

for responsible lending so she brings a really good background for this critical

17:14

position your thoughts on this question do we have a housing crisis and fha's

17:20

role in addressing it well thank you for that question I want to thank um the bpc

17:27

for having this and especially want to thank Mr turello who I've never met before and I'm delighted to get uh to be

17:34

on a panel with him this morning uh and of course to be on a panel with Daniel Daniel is uh one of the most important

17:42

voices in the administration on these issues and um if you if you if you're

17:48

not familiar with Daniel's name I assure you that you will be in years to come because he has made uh the White House a

17:56

phenomenal partner to HUD and I'm not sure every HUD always feels that way

18:02

about the White House thank you um of course we are in a

18:09

crisis but what does the word crisis mean um what we are in a position now

18:16

where more people than ever are cost burdened by their housing and fewer

18:22

people can afford to buy homes which is one of the most uh traditionally

18:28

successful way for families to build wealth and prosperity and we've seen a significant

18:35

increase in the number of people who are unhoused and something we're really seeing when we dig into that number is

18:43

that people are unhoused yes for some of the traditional reasons whether um it

18:48

has to do with mental illness or you know other specific circumstances but

18:54

mostly we are seeing people unhoused because they cannot afford housing um

19:00

and that is something well within our control and to be honest it's it's

19:07

astonishing to me that for decades this

19:12

country has not spent a whole lot of time thinking about um National Housing

19:19

policy if you go to any mayor of any City anywhere in this country and you

19:26

ask them what their top priority is they're going to tell you affordable housing and that's been true for many

19:33

many many years and it's taken a long time for that to really um Bubble up to

19:39

this moment but like Daniel I'm extremely excited about this moment it was thrilling to have the president talk

19:46

about housing in the state of the union and then uh we had the opportunity to

19:52

hear him give a major national speech on the topic in Las Vegas you know a place

19:57

that epitom as many of the challenges around the country um housing is the

20:05

platform for household and individual success if you have safe decent and

20:12

affordable housing every other dimension of outcome is improved your health

20:18

outcomes will be improved educational outcomes will be improved economic

20:24

Mobility outcomes will be improved on a community level public Public Safety will be improved it there's so many

20:32

benefits to making sure that the people in this country are housed in that way

20:38

that it is shocking we have not invested more as a government in it and working

20:44

at HUD um since the time you were at HUD all that has happened is Hud's budget in

20:51

real dollars has gone down dramatically and to be honest I can't

20:57

understand that um sometimes I talk about what we do at the office of housing where we uh support through FHA

21:05

about 7 and a half million homeowners and we ha in some way or other support

21:11

about 30,000 multifam buildings with rental

21:16

homes um we do this on such a shoestring of staff I often uh when I sometimes

21:24

look at our our um fellow housers over at Fanny May and Freddy Mack I will

21:31

describe us like the old joke about Fred a stair and Ginger Rogers we do

21:36

everything backward and in high heels um there there are so many programs at

21:44

HUD Daniel talked about Pro housing I could talk about the incredible work

21:50

being done both on the grant side and the financing side as well as the

21:55

building code side about manufactured housing which I think is a really important

22:00

solution that is coming into Focus now um so many different programs different

22:07

kinds of rental assistance whether it's public housing or individual V vouchers

22:13

or rent assisted properties owned by private owners there is so much there

22:18

that we could do but we need the support to do it and um this Administration has

22:26

made enormous strides both in improving the programs that we run and

22:32

in improving the administration at HUD itself um we have a clean audit uh we've

22:39

had an incredible team there during this Administration out there getting the job

22:44

done every day and so there I think is cause for Hope but it is it's a it it

22:54

just remains a mystery to me why an investment that has um that whose whose

23:03

effect will be multiplied so many times in our economy why that hasn't gotten

23:09

more attention let me uh just try to disaggregate the crisis question and and

23:15

touch on particular aspects of the housing problem and ask each of you to just say a sentence about your thoughts

23:22

I'll start with homelessness we have about 650,000 people on the streets any given night it's not the highest it's

23:29

ever been it was once about 800,000 but it's stabilized about 650,000 but you could argue some of those people are in

23:35

worse shape than we've ever seen because of the epidemic of drugs disease mental

23:41

health issues and so forth on the streets I've talked with former mayors uh like anise Parker of Houston who gets

23:48

credit for coming close to eliminating certain kinds of homelessness veterans

23:53

homelessness in Houston I've talked with mayor bass in Los Angeles who has one of the most critical problems of the moment

24:00

and both agree that the key in their view aside from more units for the

24:06

homeless is a command structure at the local level that sort of gets all of the

24:12

social services agencies and others moving in the same direction to address homelessness quick thoughts on policy

24:19

responses to homelessness any of you well I'll just I mean of course all

24:27

of those things are necessary um but it is interesting how you frame the

24:33

question because there is a traditional framing that has to do with drugs or mental illness Etc I would flip that

24:40

Framing and say what we don't have is the array of appropriate and affordable

24:47

housing for lots of different groups of people um you know in my time at HUD

24:53

I've had the uh opportunity to participate in the point in time count raise your hand if you've ever

24:59

participated in the pit count um those of you who haven't you may be surprised

25:05

to know that in the once a year accounting that we do through the Continuum of Care uh

25:10

organizations you can volunteer to do this um and go out during the night and

25:17

talk to your neighbors who are unhoused and find out why they're there and you

25:23

will find so many people who um are living in their car or living

25:32

someplace you know maybe they are sometimes in a shelter and sometimes not in a shelter but when you talk to them

25:40

you will find people who you're like wow I really don't understand um why this

25:45

person does not have housing whether it's a veteran and of course any homelessness among veterans is is truly

25:53

shameful and and we absolutely should not see that in this country but many

25:58

times it's a family who's experienced evictions and now is may be able to

26:04

actually afford housing but can't find a landlord it's about housing it's about

26:11

the housing we have many other issues that we have to deal with but for the purposes of here if we deal with the

26:17

housing those issues can also be dealt with got it okay let's go to another kind of element of the crisis which is

26:24

rental affordability Ron you framed it as a Supply issue it clearly is but are

26:33

we set up policy-wise to address circumstances that are that exist today

26:39

well um I've been a market rate developer for you know over 40 years in

26:45

apartments and what has happened to us recently is construction costs really

26:51

accelerated uh starting in about 2020 and incomes haven't kept up with it and

26:56

if you look at the cost of development I built my first Apartment project in 1980

27:02

in 12 months for \$30,000 a unit now we spend more than \$30,000 a unit on land

27:08

and the 12 months has gone to about 22 or 23 months regulation takes up about a

27:14

third of the cost seems like every new regulation and they're probably intended for health reasons and all just extends

27:21

the process so we find that there are a lot of people who cannot afford market rate housing and as many of you know the

27:29

best production program we have uh for affordable housing is a low-income housing tax credit which came out in

27:37

1986 and it does a good job at 60% and under and as I think Dennis mentioned

27:43

there's a little attempt to have it be more mixed income housing which I'm a big advocate for mixed income housing

27:50

but you know it's still not enough money it makes let's talk about that because you've touched on a a key point you and

27:57

I served on a task force in which we called for more money for low-income housing tax credits we called for

28:03

doubling the amount of low-income housing tax credits but I've looked at the program recently first of all it it

28:10

isn't a permanent answer because people can get out of the commitment to affordability over a span of time we've

28:16

lost 500,000 units over the last several years that's problem number one problem number two is that it's good maybe at

28:24

60% of median and Below but not very good below that like 30% of median so we

28:31 really don't have a program today for very poor people to get housing and that
28:37 is part of what spills over into homelessness but it's also just a problem for the country if there's a
28:42 vast population that is right on the edge of of just disaster for their
28:49 families um vouchers is part of the answer we do have programs we just don't adequately fund the program okay
28:55 vouchers is part of the answer but vouchers um are are not usable by everyone
29:01 because they're not accepted in the marketplace and public housing is down uh in part by actions we took on our
29:08 watch hope 6 program but the net effect was to reduce the amount of public
29:14 housing is it time for a program that acts like public housing but maybe
29:20 Builds on the lessons of the older public housing for for stock that is
29:25 smaller in scale defensible space private in character maybe mixed income
29:32 but did we go too far in completely stopping public housing um when when
29:39 when these other programs really don't get at the core of the of the of the population in need your thoughts I I'd
29:46 say a few things first I mean we should be substantially investing in preservation of public housing and a new
29:53 public housing um that is a that is a must but I think you know if you take
29:58 take a step back and think about some of the way we do housing policy in this country one of the I think starkest
30:05 examples of places we just don't get it right is that we have waiting lists for
30:11 vouchers in cities throughout the country that are years and decades long
30:16 there are millions of households who should qualify for rental assistance who don't get it and then there are on the
30:23 other hand we guarantee uh for example the the mortgage interest deduction
30:28 there are no waiting list for that right it's a it's a just a very hard thing to understand if we were going to start
30:34 from scratch and design a system of who gets what subsidy for housing so you know I I totally agree we need to be
30:42 investing in building housing and in rental assistance for the lowest income households and they models around the
30:48 country that we've seen pop up including mixed income housing models where you have both extremely low-income
30:54 households and um you know households up to 80 or 100% of Ami uh living uh in in
31:00 proximity in the same in the same building that have worked well I think we need to figure out exactly what the
31:06 the supply side model is but we need to experiment with Alternatives and we need
31:11 to fund rental assistance Ron spoken for a long time on concerns about the mortgage interest deduction and the
31:17 amount of money we spent on that versus um housing for for the lowest that's
31:23 right I mean when when when I was when I had my Foundation we were talking to Congress I said the last Dimension was
31:29 what should we do about it we in this country for many years now the the standard deduction has doubled so it's
31:35 not quite as bad as it was but we were spending a disproportionate amount of our subsidy on the mortgage interest
31:41 deduction which arguably are wealthier homeowners who itemize and that didn't seem logical to me and Henry to to your
31:49 earlier point I mean when Dennis and I and you're you're a part of this group we we thought the the approach should be
31:57 uh three wrong add to the supply preserve what you got your comment about the low-income housing tax credit we're
32:03 advocating that the rent restrictions be per in perpetuity not released after 30
32:10

years because now we're starting to lose units to market rate and I know as a developer I never put any value on a 30-year terminal value going to Market that that's not necessarily in my opinion and then on the voucher program where you could really address this in a big way uh I think it needs to be administered in a better way so that it's landlord friendly because so many vouchers we don't have enough as a comment was made and a lot of landlords won't take them and you want these people in neighborhoods of opportunity where their schools are good and those those landlords don't need to take vouchers unless there's something to motivate them to do it we're not getting those that do use their vouchers in the best neighborhoods that we'd like them to be in yeah we could also choose to um tell landlords that they can't discriminate against people who come with vouchers that source of discrimination is a really important issue and I do want to point out um that in your time you know the Hope 6 and afterward we have shifted to you know in addition to the individual voucher program that I just want to completely agree with should be fully funded for everybody who qualifies um we have shifted to a very large system of rent assisted properties Project based Section 8 and section 202 and section 811 um you know we have about 23,000 properties now these are run by private owners and they do offer rents that are based on income and therefore affordable to everybody in the Spectrum but we do not adequately either fund the actual subsidy itself or fund these owners to make the kind of um you know maintenance and repairs and capital Investments that they need to make let's switch to uh we're we're very near the end of our time entry-level home ownership uh equally impacted by the the supply problem uh more difficult for young people to buy their first home now um talk to me just a moment about policy in that respect what are we doing to increase the opportunity for this critical mechanism for people to move to the middle class which is to have equity in a home so I think the good news is the FHA model is still working really well and something we did last year is something that uh no nobody else has done in any other area which is FHA dropped the price of its mortgage insurance premium um so that we could continue to offer a viable opportunity for for many many firsttime home buyers many of whom are people of color or come from another underserved community and they are continuing to buy homes it is a terrible environment out there the affordability apart from the interest rate environment apart from the mortgage affordability is terrible the price of mortgages has gone up um but this model of letting people come in with a low down payment this is working and research shows that actually the down payment may not be um the Silver Bullet that some might think it is what really matters for the success of lower income firsttime homeowners is making sure they have some reserves if you've bought a house you know those first couple of years all sorts of things break and suddenly you need to fix them um and news report this news report this morning on the on the uh the increasing

35:57

cost of Maintenance yep as an additional impediment Dan uh quickly uh let me let

36:04

me just say from a developer standpoint we need to get more manufactured housing that can bring down the cost of housing

36:11

I grew up in a 12200 foot house a third of which wasn't finished our average

36:16

house size is 2200 square F feet these days we need to build smaller houses more cost effectively because I'm not

36:23

convinced mortgage rates are going to go down you know I've been around a long time and people who've been only in the business last 10 or 12 years think these

36:30

are high rates I think they're normal rates in the big picture Dan of national policy Economic Policy upward Mobility

36:37

policy where does home ownership fit look I think that um it needs to be

36:45

front and center uh we uh should be passing for example the neighborhood homes tax credit which would get a

36:52

significant supply of some of the homes we're talking about on the market because we need that too but just a

36:57

quick step back to say that uh 2025 will be a key moment for economic policy and

37:05

it could be for housing policy too uh with all of the Trump tax cuts on the individual side expiring they'll be a

37:12

moment to reassess how we are both uh raising revenue and investing in the

37:18

country and housing should be front and center part of that debate okay we're going to close with one final quick

37:25

quick question and that is this um you mentioned 2025 a year from now um what

37:32

do you think and I don't I I can't ask you to make policy or news at a session like this I understand but what what do

37:41

you think you can ask do you think we're at a stage with

37:46

respect to housing that it's reached the level of acute National Action that

37:52

infrastructure did in this Administration where where it was very clear all the forces come together we're

37:58

way behind as a country and we did some fantastic huge scale things in

38:04

infrastructure is it time for a public rather a housing action policy action moment in

38:13

our country going forward I'll just give you each 20 seconds to respond you want

38:19

to start I think it is and Congress could start before we got to next year

38:24

passing the bipartisan uh tax package that would be an important down payment 200,000 additional rental units would

38:30

come online through an expansion of the low-income housing tax credit and then we should go beyond that okay yeah I I

38:36

don't understand why Congress hasn't taken the housing situation more seriously I thought maybe the homeless

38:43

situation would wake everybody up uh but it doesn't seem like when it comes to allocating dollars federal dollars

38:50

there's enough Champions to get housing where it deserves to be for people like

38:55

us who believe it's so fund FAL for family growth okay you know in my work

39:01

at the office of housing over the past few years we've been able to find so many things to do that are wins for

39:08

homeowners wins for renters wins for the Housing Industry and wins for the

39:16

government and the Mutual mortgage insurance fund so there are so many more wins that Congress could find uh

39:23

including neighborhood homes investment Act and the litech improvements yes it is time this panel was slated to be a

39:31

keynote sort of an overarching pre- look at the rest of the day I think these folks have done us a good job thank you

39:37

very [Applause]

39:54

much we're going to take a 10-minute break and be back around

40:04

1022 so much thank you thank you thanks for your work great job as

40:10

always thank you so much thanks much thanks for your work

40:25

[Music]

40:38

[Music]

40:47

I don't know I don't know [Music]

41:02

[Music]

41:26

you [Music]

43:20

[Applause] [Music]

43:35

[Music]

43:42

[Music]

43:51

[Music]

44:08

[Music]

45:05

[Music]

45:24

he

45:31

[Music]

45:37

[Music]

45:54

hey hey a

46:03

[Music]

46:29

[Music]

46:38

[Music]

46:47

hey hey

46:54

[Music]

47:04

[Music]

47:12

[Music]

47:25

if everyone could please start making your way back to your seats our program will begin in a couple of minutes please

47:31

make your way back to your seats thank you [Music]

47:46

[Applause] [Music]

47:51

[Applause]

48:05

he [Music]

48:46

he [Music] [Applause] [Music]

48:52

[Applause] [Music]

49:06

he [Music]

49:13

[Applause] [Music]

49:32

if everyone could please find their seats our program will begin in 1 minute

49:39

[Music]

50:08

[Music] we are in a housing crisis Across

50:14

America families can't afford Rising rents and soaring home prices the problem is we have underbuilt over the

50:21

past two decades New Home Building hasn't kept up with demand resulting in a severe shortage that hurts low income

50:27

renters and firsttime home buyers most housing is foundational everyone deserves an affordable safe home at all

50:33

stages of life to make this possible we need to build more homes and dramatically increased Supply it's time

50:39

to make affordable housing a national

50:45

priority everyone good morning everyone my name is Steve Styers I'm president

50:50

and CEO of the Ohio Chamber of Commerce and a member of the twilliger center's advisory committee it's my pleasure to

50:57

moderate this next panel which will bring both private sector Partners um

51:02

into the housing Supply and affordability conversation our nation's housing Supply

51:10

is really short uh and we've got to have

51:16

businesses of all sizes engaged in helping us build more housing um and we

51:24

need it because we've got to attract and main a Workforce uh this morning we'll talk

51:30

about the impact of the housing short housing shortage on private companies abilities to attract and retrain

51:37

Workforce as well as uh how the federal government can be a good partner to

51:43

Corporate America when it comes to increasing housing Supply uh to discuss these topics I've got an esteemed panel

51:51

of folks from the private sector first I'd like to introduce uh third from my

51:56

uh seat uh Stephanie Rawlings Blake Stephanie serves as chair of airbnb's

52:02

newly announced Housing Council she was the 49th mayor of Baltimore Maryland and

52:07

currently runs her own consulting firm SRB and Associates where she's worked

52:13

with national clients including Hudson News MasterCard and Airbnb next we have Dr Sally craft uh

52:23

Sally is population health health officer for for Dartmouth health system

52:28

which serves communities in New Hampshire and Vermont uh in her work Sally focuses on the alignment of

52:35

healthc care redesign and community community conditions that impact Health

52:40

outcomes she joined uh Dartmouth Hitchcock in 2014 after serving as

52:46

medical director of quality safety and Innovation at the University of Wisconsin Health System also joining me

52:53

today is Jon Jonathan wolf to the far left far right um president of Windover

52:59

housing Partners a privately held real estate development and management company based in Florida uh Windover

53:06

housing Partners has a portfolio of affordable and market rate multifam communities senior housing Transit

53:13

oriented communities and student housing Jonathan began his career in finance with the Chase Manhattan bank and City

53:21

group and finally I'll introduce to my left your right Barry Deval president CEO of the Virginia Chamber of Commerce

53:28

he's held that role since 2010 and under his leadership the Virginia chamber has

53:34

become the state's leading business advocacy group Barry has a history of

53:39

public sector as well as um he was city council and mayor of the City of Newport

53:45

News um and it's great to have Barry on the panel too thank you all for being here

53:52

uh toward the end of the discussion we'll take audience questions and so there's a QR code that will be uh that

54:00

you can go to to get your question uh in the queue and then it'll pop up on this

54:05

screen here if it all works so um use the QR code if you want to ask a

54:11

question thanks for being here and let's dive into the questions let's start with Barry uh Barry we know that

54:18

affordability or I'm sorry availability of housing is CR a critical factor in where companies choose to locate uh as

54:26

president CEO of the Virginia chamber what are you hearing from your member companies about the state of Housing and

54:33

how it impacts their business is housing Supply or affordability a barrier to

54:38

recruiting and retaining a quality Workforce yeah Steve thanks so much for the question and for your years of

54:44

service in Congress and now leading the Ohio Chamber of Commerce uh and it's a great pleasure to be here I'm really

54:50

pleased that we're creating these forums to talk about one of the most important issues facing Americans today I've had

54:59

the privilege of leading this uh Chamber of Commerce in Virginia we have about 30,000 members uh one of the more

55:06

headline members we recruited to Virginia was the second headquarters for Amazon and the partnership around

55:12

housing was as important to recruiting Amazon second headquarters to Virginia

55:17

as was the workforce package that we put together not that it equaled the dollar

55:23

amount of other states that were recruiting the headquarters but it met the need of the corporation you know in

55:29

Virginia we have this saying and I'm sure others of you do in Corporate America that homes are where Jobs go to

55:37

spend the night if we don't have the homes we don't have the

55:43

jobs um I was the privilege to serve as the mayor of Newport News where we had

55:49

70,000 homes in Newport News but 7,000 were public assisted and I had

55:54

experience as secretary Commerce of uh supporting Virginia's recruitment effort

56:00

back in 1998 and 2002 it was assumed the housing was going to be there but today

56:06

in working with corporate relocations and corporate expansion housing is one of the key factors because homes are

56:13

really where people go to recover and to rest and they have to have a quality home in order to be a healthy citizen so

56:20

I'm privileged to be here we can talk more about Partnerships but corporations do have a role and corporations Across

56:27

America are stepping up to help solve the housing challenges thanks Barry Jonathan I'd

56:33

love to hear from you so Windover housing Partners your company was chosen by Universal Orlando as a developer

56:39

development partner for affordable housing project that's really unique in the country I want us maybe want to have

56:45

you tell us a little more about that and tell us about you know what you're doing

56:52

in Orlando with universal how it came to fruition um H how Universal was involved you know

57:00

that's a unique partnership and who who that Community will serve and how big a

57:06

deal it is tell us a little more about uh why that works and and take one step

57:11

back and say why why did Universal even care why did they get involved in doing this to help with housing let me let me

57:19

start with what why did Universal come with this initiative I mean certainly the issue of recruiting and retaining

57:25

employees uh they have close to 990,000 employees in Orlando alone uh they're opening up a

57:32

new theme park they're in an area that has a 100,000 service workers within 5

57:39

miles and yet there's not one affordable housing apartment within that area so

57:45

it's a it really is a housing desert wow I think if they've come along

57:51

and and seeing this there were some absolutely political and infrastructure reasons that they were trying to meet

57:58

but the company as a whole both Universal and Comcast has seen as we've been partnering and moving forward to to

58:05

building this community the benefits and the excitement within various departments with themselves as to what

58:13

could this be for potential of universal folks and so we started off it was a

58:19

th000 units and and we set an income band of 30% up to

58:24

120% um um that hadn't been done the size a th000 apartments on 20 acres the

58:32

scale and the density had not been done within the area so these were kind of a

58:37

few firsts uh and you know Universal rightly could have put in three

58:43

high-rise Resort Hotels but yet took it and and said we're going to go forward with this initiative and the next and

58:50

most important element is they put the land in for a dollar and and we constructed A9 9 year lease so really in

58:57

perpetuity so the issue of what will happen to this community o over the years it will forever be an affordable

59:04

Workforce housing community and I think they're beginning to see what kind of

59:09

benefits that has brought to them partnering with a corporation you know why is that so important you when we go

59:16

in as a private developer on or normalized pieces uh the strength of the

59:22

Politico uh legs uh often get very weak and so we're trying to build spines much

59:28

easier to build a spine when you've got a multi-billion dollar Corporation standing next to you at the podium and

59:34

telling them and exploring with them what are the benefits to this we all sit around we talk about the issue of

59:40

affordable housing we call it admiring the problem because as as we move along

59:46

we all agree something should be done what is that something and then we announce we're going to do something and everybody runs under the table but but

59:54

having a corporation doing two very important things one providing a large Financial commitment to it in this case

1:00:01

we have 16 layers of financing on this one assignment and then second being

1:00:07

there for the political side and demonstrating that this is so important to the community at large they didn't

1:00:13

just take your dollar and run away they didn't take the dollar and go back to the amusement park they uh they said

1:00:19

we're going to be alongside you and they have been alongside at every uh juncture of the planning and process and we

1:00:27

started construction this past November and they have been just an amazing

1:00:32

corporate partner which is so essential when the other thing that I asked you as we were Mark getting miked up was you

1:00:38

know did they put any restrictions on this how many of these thousand Apartments did their employees get to use and you're you said well we're

1:00:45

trying to keep fair housing laws uh intact uh yes but they none is the answer they

1:00:52

they're not I I I told them I did not need a small con for myself there's no restrict they're not trying to just

1:00:58

house their employees they're trying to House Orlando which is great but but they recognized and here was an important element they said if an

1:01:05

individual goes to a hotel and is greeted by an employee that's not a universal employee they're tired they're

1:01:12

frustrated they're worried about where they're going to be living the treatment that that guest is going to receive and

1:01:20

by the time they come to the park they're also a little bit frazzled but if they come to someone who housing

1:01:26

secured uh and all the other resources because we we brought in uh an

1:01:31

educational piece along with the Bezos Foundation to bring a pro preschool free monu School a health component the

1:01:38

university to bring education that individual who's working at the hotel

1:01:43

hasn't commuted for two hours is able to maintain and sustain a healthy life in

1:01:50

all of its various pieces healthc care housing rooftop education transportation

1:01:57

that person by the time they get to the park is going to be a happy person as well so we're trying to bring the warmth

1:02:03

that they're giving to our visitors to actual individuals that are working

1:02:09

that's great Sally you're unique on this panel so Dartmouth Health uh is in a

1:02:15

rural community everybody else we're talking to you know is in bigger cities or Suburban areas but Dartmouth Health

1:02:23

serves rural communities in New Hampshire and Vermont uh that's unique obviously uh sometimes

1:02:29

it's hard to get folks to move to a rural area but housing is a giant issue in rural areas you know has Dartmouth

1:02:36

Health seen any challenges uh to attracting folks to your area as a

1:02:43

result of housing availability and affordability and you know what have you

1:02:49

done to try to deal with limited housing Supply in your area have you taken steps

1:02:55

to build or Finance any uh housing for employees and for the community yeah

1:03:01

thank you very much and uh really appreciate the opportunity to come because I am um I don't know if I'm

1:03:07

unique but I am presenting a uh perspective of um looking through the

1:03:12

world in terms of health and we really recognize that housing and health are

1:03:19

inextricably um linked uh to your point education housing Health um

1:03:24

transportation access to child care which is the other crisis that we're dealing with Dartmouth health is a

1:03:31

health system across Vermont in New Hampshire seven hospitals multiple clinics about

1:03:37

14,400 employees and we have about 1900 open um uh FTE spaces right now huge

1:03:46

percent and a lot of that is because of the lack of housing the Upper Valley

1:03:52

which is where um the academic Flagship h hospital is Dartmouth Medical Center

1:03:58

the only academic um uh health system in the state of New Hampshire is located

1:04:03

right at the border of New Hampshire and Vermont and we call that surrounding area the the Upper Valley and we have no

1:04:11

housing I'm not talking about lack of affordable housing we have no housing we

1:04:16

have difficulty recruiting Physicians we have difficulty recruiting and retaining

1:04:23

uh people who work in the cafeteria or who are keeping our facilities clean because we just don't have the housing

1:04:30

so it's really been critically important for us to understand what is our role as

1:04:36

the largest private employer in the state of New Hampshire and a not for-profit institution what's our role

1:04:43

in housing our mission is to improve the health and well-being of the people of

1:04:49

our our employees our patients and our communities and you can't do that if you don't have housing so we've identified

1:04:57

that in order to produce health and health care services we have to get into

1:05:03

the housing game and we've been doing that in a variety of different ways uh one of them is that we have made

1:05:10

Investments with the New Hampshire Community Loan Fund which is a uh organization that's been around for

1:05:16
about 40 years and is really focused on um uh preserving and increasing
1:05:21
affordable housing particularly in the area of manufacturer homes they not only
1:05:27
help with that initial financing but they also help with financial literacy and help convert the land into
1:05:35
residential owned um Parcels or cooperatives so we've made um a \$5
1:05:40
million investment in fact for the largest single investor in the state of New Hampshire in um in the Community
1:05:46
Loan Fund um and that has not been directly for our employees but for the
1:05:51
housing solution for our region we've also partnered and I think this will be
1:05:56
a really critical um piece as I think about housing uh partnered locally to
1:06:02
create the Upper Valley um housing fund we brought together uh worked with the Mascoma Bank a local bank as well as
1:06:10
other employers including Dartmouth College to uh say how do we address this
1:06:15
housing crisis for our staff our faculty and um we came together raised \$10
1:06:22
million together and then worked with a uh commity Community Development Group and not for profit profit Community
1:06:29
develop Development Group to um create a fund that will attract uh developers uh
1:06:37
dedicated to uh building affordable housing and um that \$10 million fund
1:06:43
that we created from our Community Partners is hoping to leverage another 60 million and we already have four um
1:06:50
Comm and this was just over the last uh really two years we already have uh four Comm commitments for um to developers uh
1:06:58
to develop um affordable housing we also make direct uh investments in the form
1:07:04
of community benefits um this is a requirement a federal requirement U for
1:07:10
not for-profit Health Systems into Housing Solutions we're not building
1:07:15
them we're we're doctors and nurses and and um uh come to us for uh for your
1:07:20
health care services but we make those investments in those Community organizations ations that are housing
1:07:27
particularly underserved populations and um providing the Supportive Services to
1:07:33
them so we're not H we're hospitals we're doctors we're not housing experts
1:07:40
but we know that in order to improve the health of our communities we've got to invest in Housing Solutions thanks Sally
1:07:48
now let's turn to Stephanie Stephanie you've made housing and affordable housing a priority both in your public
1:07:54
life and now now in the private sector and in fact you recently chosen as the
1:08:00
chair of airbnb's new Housing Council where you lead a group of independent experts and housing organizations from
1:08:07
across the country can you tell us a little bit about what the C what the council aims to achieve and why Airbnb
1:08:14
moved Beyond its sort of traditional role as a housing house sharing platform
1:08:19
to dive into housing policy yeah first thank you uh not just for the m ation to
1:08:26
be here but for giving me a chance to catch my breath from running into the train station and making me she just got
1:08:33
here so so give thank you for that and I when I uh listen to everyone uh who's
1:08:40
spoken so far first I hope your next project is going to be partnering up uh
1:08:46
with with the good doctor and and taking uh your approach which uh when I was Mar
1:08:52
I would have loved to have like 10 clones of you uh who were willing to put their money where their mouth is and uh
1:08:59

be true Partners in creating housing but when I listen to everyone talk uh you

1:09:04

know homes or where Jobs go to sleep in the need to understand the importance of

1:09:11

uh housing as you're creating um or filling job opportunities you know

1:09:16

that's really the the impetus of what this work is at Airbnb um I think if I were to ask

1:09:23

anyone in this audience um you know what's one thing that can solve the housing affordability crisis or housing

1:09:30

Supply crisis there is no one thing if I were to ask um who can fix the housing

1:09:37

Supply crisis is it corporations is it uh government is it the you know banking

1:09:43

industry there is no one entity um Airbnb realizes that it is a long-term

1:09:51

problem that uh realistically is going to have a long-term solution that can be

1:09:58

achieved if everyone understands that they have a role in it so um they asked

1:10:03

me to chair a group of not for-profits um government

1:10:09

officials um housing experts to sit down and use their Collective brains their

1:10:17

experience to to advise uh Airbnb on how they can be a part of the solution and

1:10:23

um I believe in the power of that work really because I saw you know how we

1:10:28

talked about um housing and jobs I saw how the tourism industry as bolstered by

1:10:36

Airbnb created jobs in Baltimore Baltimore meds and Eds were our number one uh employer and tourism was number

1:10:43

two and um seeing how Airbnb was able to support that um that Drew me there and

1:10:50

their willingness to be a part of the solution around uh housing Supply um

1:10:55

really has uh strengthened my interest in working with them and and they're um as the kids would say True to this not

1:11:02

new to this um they've given Millions to different initiatives to help um housing

1:11:09

supplies Pro 23 I think in um Colorado that is making it easier and more

1:11:17

affordable to create housing um affordable housing in Colorado and there's another um a um initiative in

1:11:26

California to make um Bond bills easier for affordable housing you know Airbnb

1:11:33

has quietly been putting millions of dollars in these organ Grassroots organizations to help support this work

1:11:39

and now with the council is being a little bit more public um but the the

1:11:44

impetus is still the same supporting Grassroots organizations that are doing

1:11:49

the work and looking for um ways to collaborate with again politicians

1:11:57

academics people that you know experts to try to create Solutions and um we're

1:12:02

welcoming additional Partners in this effort thanks Stephanie let's stay stay with you for a second you said no one

1:12:09

group is really going to solve this and I think that's absolutely true when you were mayor you really had some key

1:12:15

institutions in health care and higher education you got them involved in housing uh you work to create a plan to

1:12:22

build housing in the neighborhoods around those institutions and when you think Beyond

1:12:28

healthc care and Ed and education institutions could local governments play a role in assisting the broader

1:12:34

business Community to become more aware and responsive of housing needs and how

1:12:40

how we could move forward and if so what might that look like I don't think government needs to

1:12:47

make um companies aware of the housing shortages um just as the doctor said you

1:12:53

know people who have job vacancies know why um so I think for me when I when I

1:13:02

was mayor what I Look to do was bring our anchor institutions so our meds and

1:13:08

EDS uh to the table and look for joint Solutions how can we use our Collective

1:13:13

Strength to solve these uh problems one of them uh was housing another thing we

1:13:20

look to is how can we locally source and locally train our um you know our local

1:13:27

population to fill these jobs for me it's it's not it's not rocket science we want you know all boats to

1:13:34

float so how can we sit down as a community um lay all the the challenges

1:13:40

on the table but also lay all our Collective tools on the table and try to figure out how we can use them to bring

1:13:47

our en entire Community up that's great Jonathan um let's pull you back in the

1:13:54

discuss so uh it's my understanding that Walt Disney has followed Universal's Footsteps in building affordable housing

1:14:02

in the Orlando region is your partnership with universal a model that could maybe be replicated and taken to

1:14:09

other areas and if so what are the ingredients needed for Success yeah I

1:14:15

definitely think this is uh repeatable and and should be it could be across the

1:14:21

country we recently started chatting uh with airports and Hospital Systems um and spoke to the FAA about it

1:14:31

and some folks in Congress and said look major airports have 20 to 30,000 service workers right there uh why aren't we

1:14:38

doing this on some of the extra land they have and and getting receptivity to it so there are other types of

1:14:45

Institutions uh you know it's it's not directed only at a for-profit company

1:14:52

but this is certainly something we think should be brought Nation wide um through a variety of Institutions health care

1:14:58

being an obvious one uh Hospital Systems tend to have some extra land that it's proximate to their facilities they could

1:15:05

be a major participant in this so as we look around and say what can companies

1:15:10

do you know often times it's simply uh writing the check and walking away and

1:15:16

they need to stick around uh because their participation while not on the day-to-day holds a different level of

1:15:23

cadence to the conversation even as simple as things like permitting we went to the the permitting folks in Orlando

1:15:30

and said you've got to set up a separate group to do just this community and if

1:15:36

we don't we'll be talking about this for the next 10 years right um and we had our folks from Universal standing behind

1:15:42

and and said tell that taxpayer no U and there's a different level of receptivity

1:15:50

when you bring a major employer to the table so I think it's it's definitely warranted definitely exportable throughout the

1:15:57

country that's exciting uh Sally you know Dartmouth he Dartmouth health is in

1:16:04

a rural area we talked about that before and you're a health expert do you find

1:16:09

that your patients in rural communities have any unique health pack Health impacts that you've seen in your

1:16:15

facilities as a result of inadequate housing and what is the role of a

1:16:21

company like Dartmouth Health in dealing with that and in helping the r your

1:16:27

rural yeah Community there's um aphorism that rural populations are older sicker and um die

1:16:35

younger and that is true um in fact if you look at the Gap of life expectancy

1:16:41

so how old do you expect to live um uh uh when you're born and you look between

1:16:47

urban and rural communities that Gap is wide and has gotten wider um in fact

1:16:55

it's really profound and um frankly an embarrassment to our country to see um

1:17:01

uh that Gap um we have um u u um uh

1:17:07

impact of housing on the health as I've mentioned that um at the stress of being

1:17:14

not homed or housing insecure has enormous stress on not only the adults

1:17:21

but the children in the house high rates of anxiety Mental Health crisis and my goodness all of us know um uh what

1:17:28

Mental Health crisis we're going through uh now in the postco era um especially with our youth and add housing in

1:17:35

security to that and it's really um really problematic we know that housing

1:17:40

in and of itself can have a direct impact on your health exposure to lead um environmental irritance that can um

1:17:48

um make pulmonary disease etc etc affordability affordability has a direct

1:17:54

impact act on your health if you're paying high high rates for rent you have

1:18:00

less to pay for healthy foods or even buying your prescription U medications

1:18:05

and then we know that the entire neighborhood has a huge impact on Health in fact uh we say in in the work that I

1:18:12

do your ZIP code matters more to your health than your genetic code and I

1:18:18

think this highlights the fact that housing is not a problem in and of

1:18:24

itself and it's not just a problem for us as employers but if we want our populations healthy productive and

1:18:31

present at work we have to have housing as a foundation of that community

1:18:38

population health is inextricably linked um to our economic prosperity and

1:18:43

housing is a big part of that so um Health Systems you'll see a lot um of

1:18:49

Health Systems and you're hearing a lot of Health Systems not for profit we're we're not developers we're not for

1:18:56

profit but we're getting involved in the housing um business because we know that

1:19:02

it is part of our mission to improve health we take our mission as an anchor institution extremely seriously how do

1:19:09

we make the right Investments hire um and purchase um so that we can help

1:19:16

support the communities where our people and our patients live we also um

1:19:22

recognize that as a health system and as an academic Health System we have an opportunity to bring people together to

1:19:28

learn I think we do a lot of things that we don't necessarily know are they

1:19:35

working and how are they working so just in the last year we formed the center for advancing rural Health Equity to

1:19:42

bring our researchers our clinicians our Educators and students and our community

1:19:47

members together to co-design and co-produce interventions to promote

1:19:53

health and we've identified housing as one of those areas that we want to get smarter about and we really do truly

1:20:01

believe that um we also have an opportunity to be Advocates um we can

1:20:07

walk into um uh uh uh a situation and talk not just about housing where people

1:20:13

might be like I'm suspicious that you want to make a profit we're walking in and saying we want you healthy we want

1:20:21

your children healthy we want your employees healthy let advocate for sane

1:20:26

and rational policies that will promote access to affordable housing so everyone

1:20:32

everyone has an opportunity to be as healthy as they possibly can thank you

1:20:38

let's zoom out a little bit Barry um you know let's talk about the impact of housing on business growth a little more

1:20:46

broadly so under your leadership in 2013 you created the first blueprint for

1:20:51

Virginia's economic future called blueprint Virginia um and I'm new to the chamber world but

1:20:57

I'm pretty jealous because now you're number one or number two depending on what ranking you look at for

1:21:03

competitiveness but in your current blueprint for Virginia 2030 you have some housing goals you have objectives

1:21:11

for um Workforce housing um you deal with you target

1:21:17

housing affordability increasing housing Supply and um improving housing options

1:21:25

for the workforce can you tell us about each one of those three goals and they how they fit into your economic growth

1:21:31

plan overall sure thank you Virginia is unique in that

1:21:37

we don't have the opportunity to reelect our governor we're the only state in the

1:21:43

nation that has a one-term governor and governors um are very important in

1:21:48

Virginia they are important part of the public private partnership initiative so the business Community came together

1:21:54

back in 2010 and 2011 when I started leading the state chamber and we thought why not create a long-term Vision

1:22:01

document that can ensure whether it's a republican Governor or a Democratic governor that can ensure that Virginia

1:22:07

is the best state for business and so that became our our blueprint process you can go to our website VA chamber.com

1:22:13

you'll see me presenting blueprints to the last three governors uh in the last two we've presented to the last two

1:22:20

Governors have had a housing component because we've seen the the emerging need for

1:22:27

housing we want to be the best state for business in order to do that we know we need to be the best state for talent we

1:22:34

can't be the best state for talent unless we solve a couple of problems there's a shortage of housing there's a

1:22:40

shortage of child care and we have to solve the child care problem in this country before we solve the workforce

1:22:46

problem and we have to solve the housing problem because Workforce is so critical

1:22:53

I think corporations have found found themselves wanting to lean into it both for the quality of their

1:23:00

employees but also for their communities corporations have taken a broader perspective in Virginia and I think in

1:23:07

Ohio and other states of making sure their communities are healthy and they're leaning in on a number of

1:23:13

Partnerships but the theme that we stress in our blueprint that you've heard today

1:23:18

already spoken by these panelists is that it's going to take true Partnerships federal state local

1:23:25

nonprofit and private sectors s on Monday I'm meeting with a huge Health institution and a large Builder to help

1:23:33

uh create some housing uh that will help a rural area in Virginia so kudos to what you're doing and what's going on in

1:23:40

Florida is beginning to happen all over the country where corporations are leaning in with institutions and helping

1:23:46

to solve this particular housing initiatives specifically St within the blueprint we have gotten um The General

1:23:54

en assembly and the governor to put significant funding into low-income uh housing and to low-income loans our

1:24:01

Virginia Housing Initiative has over \$80 million available for lowincome uh uh

1:24:07

loans uh we've gotten over2 billion committed from private corporations in Virginia for lowincome loans so we're

1:24:14

trying to address the financing and affordability part of it um we're trying to also work with localities on zoning

1:24:21

and permitting uh you you you know we we love regulation to make people safe but

1:24:28

sometimes it doesn't make it economically sound and we have to address the ability to adjust regulation

1:24:34

to ensure that it is not only safe but it's economically sound so the business

1:24:40

Community I think across the country including Virginia is leaning in with

1:24:45

our role and advocacy because as you stated it's one thing to help people get

1:24:52

elected but it's most important to be an advocate and continue whether it's with

1:24:57

your uh state senators your US senators your house members in Washington or with

1:25:03

those at the local level uh hearing from the business Community about how important an issue is is so critical

1:25:10

because all of their citizens all of their employees are citizens and voters for those elected officials and as a

1:25:16

recovering elected official I can tell you it's important you are too it's important

1:25:22

that we uh listen to our constituents and so I think the business Community has a responsibility economically and

1:25:29

also as a corporate Citizen and that's why we included in our blueprint and we've worked very effectively with the

1:25:34

last four Governors that's great Barry so I've got one last question for everybody it's sort of three questions

1:25:40

you don't have to answer all three if everybody could take about a minute we'll have about five minutes left for

1:25:45

questions from the Audience by the way the QR code is on your uh program if you want to scan your QR code now if you're

1:25:53

preparing a question so the last question is three-fold uh you know what's the responsibility of corporate

1:25:59

America to respond to issues around housing affordability and Supply number

1:26:05

two what should they be telling both leaders in Congress and at the state

1:26:10

capital and finally how can the federal government Be an Effective partner with corporate America when it comes to

1:26:17

increasing housing Supply and you can focus on any or all of those if you each take about a minute and um

1:26:24

John why don't you John why don't you start and we'll come we'll just come this way yeah I'll respond by saying one

1:26:29

word Finance because that's the greatest inhibitor um it truly is about

1:26:35

Finance in on all levels of affordable housing how many capitals what's your

1:26:40

Capital our Capital stack for the universal uh thing 16 different layers um yeah so that was uh um we we had sort

1:26:49

of a a joke about it which is we wanted to put everybody on the bus to Victory but in order to get on the bus you had

1:26:54

to buy a ticket so buying that ticket meant you had to participate at some economic level whether it was the state

1:27:01

or the county uh and uh we did but starting at the federal level it was

1:27:06

mentioned about a recent tax bill pass the house it's stalled in the Senate um

1:27:12

what can the federal government be doing there's a multitude of pieces but most of it comes back to finance whether it's

1:27:18

increasing vouchers that's Finance but the low-income housing tax credit expansion the Bill in Congress right now

1:27:25

would create another 200,000 units halfway past um Senate stalled that's

1:27:33

one component of it um at the municipal level again going back to finance they

1:27:39

can do it from a regulatory burden piece by sharpening their components moving

1:27:44

out affordable housing and saying what can we do to help from the bureaucratic

1:27:51

administrative side and the other component of that is uh when a developer

1:27:56

comes up into the podium and says I'm going to place 100 units of affordable housing and there are 300 people

1:28:02

screaming in the chamber um hold your strength um because some of

1:28:09

those folks will um eventually be people that they even their families will want

1:28:14

to come in so there's a political will at the at the local government level all 300 of those people live somewhere too

1:28:20

by the way that's it so it it really comes somebody had to let them build their house finance and political strength yeah great Stephanie um before

1:28:29

I answer the question I I did want to uh thank um Dennis uh for being a founding member of the the Housing Council and to

1:28:36

the to your um point about having um people needing um backbone when they're

1:28:43

um confronting these challenges uh Yin Yin B action is one of the members as well as a National Housing conference

1:28:50

National Fair Housing Alliance and and up for growth so we're trying to tap into uh the people who like I said are

1:28:57

on the ground uh trying to make things happen and um the message I think to uh

1:29:02

Congress from corporate interest is see us as partners um that that we want to

1:29:08

be a part of the solution to get these um meaningful pieces of legislation filled so communities around the country

1:29:16

can face these challenges with the necessary tools to create housing I

1:29:21

think we it is far past time for us to have our heads in the sand and pretend

1:29:27

that if time passes this problem will solve itself it won't it is going to

1:29:33

take us doing things differently doing things in deeper uh collaboration and

1:29:38

being willing to to take the risks so like I said we need you to 10 more clones uh of you scattered around uh to

1:29:47

um help support electeds that are willing to stand up because they can't do it alone as a a halfway recovery ing

1:29:58

elected um so again coming from a little bit of a different perspective um uh

1:30:04

working in a not for-profit Health System um this is really hard work it's

1:30:09

really hard work the the uh bringing people together um um working outside of

1:30:16

you know like I use a stethoscope I don't I can't even understand like when you talk about stack capital and that

1:30:23

kind of thing so um whatever incentive structures can be put into place to

1:30:29

really uh accelerate those Partnerships that Stephanie and all of us have been

1:30:35

talking about we talk different languages we're coming at this from different perspectives but the end

1:30:41

result is the same we want people homed and housed in safe and secure housing so

1:30:48

everyone can be as healthy as they can and be the best employees um uh that

1:30:54

they can when um when we're trying to attract that uh Workforce and retain that Workforce and invest in that

1:31:00

Workforce so what other incentives the policy makers can uh come up with to

1:31:06

help bring multiple people to the table to work on uh Creative Solutions I'll

1:31:12

also say um um as a uh academic center

1:31:17

um I think we need to understand better how to do this and um I'm very excited

1:31:23

about our Center for advancing rural Health Equity we need uh to uh invest

1:31:29

funding into research so that we understand uh how to make everyone

1:31:34

healthy not Reserve Health just for um uh the few but make everyone healthy we

1:31:41

talk about the uh widening uh uh gap between rural and urban um uh life

1:31:47

expectancy um but look at our overall life expectancy in the United States over the last 10 years and we spend

1:31:55

nearly 20% of our GDP on health we've got to understand how to do this better

1:32:00

so I think funding for these uh multi- um uh sector groups to come together to

1:32:06

understand what to do I think is important great thanks and I'll just if I could just add one last thing our

1:32:12

community uh benefits um that uh not for profits that we need to invest um we we

1:32:19

can't uh claim the differential between a market return on investment and the

1:32:25

low interest rates that we're making I think that Gap is a gap that we should

1:32:31

be able to call that that's a community benefit it's an opportunity cost so that would be another policy Point great

1:32:38

point so um we do have one question from the audience Barry just said he was willing to let them answer that question

1:32:45

so we'll get to a question from the audience um it how can institutions such

1:32:51

as is that for a specific person person no it's for everybody oh for everybody thank you how can institutions such as

1:32:58

yours spread the word about your initiatives encourage others uh to do the same kind of things you're doing how

1:33:05

do we spread these best practices uh that's a question by Daniel Cunningham

1:33:10

thanks Daniel you want me to go do you want to start Barry that'd be fine thank you for the

1:33:15

question I think from uh Association perspective many of you belong to

1:33:20

associations but those who U belong to ass iations I would encourage your Association not to endorse candidates

1:33:27

but endorse ideas uh I'm Dennis I'm glad that this is being hosted by the

1:33:32

bipartisan policy Center uh I think housing and Workforce and Health Care uh

1:33:40

to the extent the business Community can lean in on Solutions and advocate for those solutions they can be more

1:33:46

effective at bipartisan answers and that's the local state and federal level I know I move the State Chamber in

1:33:52

Virginia uh to towards developing a blueprint because I wanted our business Community to endorse ideas and be able

1:33:58

to work with both sides of the aisle in Virginia we happen to be a purple State I think it works well in Virginia but I

1:34:05

think it would work well in Congress as well because these are issues that are at the human level uh so for us as a

1:34:12

state chamber we don't endorse candidates we endorse ideas we advocate for those ideas and we build a coalition

1:34:19

of the Willing so I would say whatever sphere of influence you have sitting in this this room think about how you can

1:34:25

build a coalition of the willing and put together an advocacy initiative to help

1:34:31

address the challenges that you're facing and for us in Virginia with housing it's building Partnerships and

1:34:37

corporate citizens in Virginia taking ownership of that and I want to thank you for hosting this and allowing me to

1:34:43

be a part of it today anybody else want to talk about how we spread the word on the kind of

1:34:49

initiatives that we have Stephanie I would say at I think a big part of

1:34:54

spreading the word is how we collectively choose to communicate the fact that this is a long-term uh fight I

1:35:01

think a lot of times uh corporations are uh a little shy to tout you know the

1:35:08

sausage making maybe or the the the process you know the steps because you know you might announce something and

1:35:15

the response will be well that's not going to fix the whole problem right we know it's not going to fix the whole

1:35:20

problem but if all of us who understand that housing Supply is an issue choose

1:35:25

to talk about the work the steps along the way as the incremental steps that

1:35:30

are going to get us to the solution instead of you know sort of chopping the head off because it doesn't solve all of the problems I think that's that's one

1:35:37

way uh to be helpful great we'll try to get to one more question really quick I'll just ask you to each raise your

1:35:44

hand have you ever faced push back from Nim nimbyism and then if so does anybody

1:35:50

want to talk about how they managed it just one word uh when John was talking

1:35:56

about local officials I used to have 300 people in my council chambers voting on

1:36:01

those affordable housing issues and I would encourage the city council members in the back I said now remember we're

1:36:06

going to be Towers not towers of jell but we're going to be towers and we're going to hold strong

1:36:12

and we're going to get this vote through and sometimes it would work but I think you have to encourage elected officials

1:36:18

to what did Lincoln say he said don't he said way uh

1:36:24

don't count public opinion weigh public opinion right so try to think in broader or longer terms than the people in front

1:36:30

of you that are against such positive initiatives that's great we'll let that be the last word please join me in giv a

1:36:37

big round of applause to this panel thank you great job by all the

1:36:44

panelists uh we are going to take a short break and uh programming will continue in about 10 minutes thank you

1:36:50

everybody

1:37:00

this break will actually only be 5 minutes so please hurry back

1:37:06

[Music]

1:37:27

[Music] for

1:37:34

[Music]

1:37:47

[Music]

1:38:09

[Music]

1:38:23

hey he hey hey [Music]

1:38:34

[Applause] [Music]

1:38:39

[Applause] [Music]

1:38:53

he [Music]

1:39:34

he [Music] [Applause] [Music]

1:39:40

[Applause] [Music]

1:39:54

he [Music]

1:40:01

[Applause] [Music]

1:40:37

he [Music]

1:40:56

[Music]

1:41:49

[Applause]

1:41:55

if everyone could please make their way back to their seats our program will begin

1:42:01

momentarily please make your way back to your seats our program will begin

1:42:06

shortly [Music]

1:42:14

[Applause] [Music]

1:42:33

[Music]

1:42:38

[Applause] [Music]

1:42:54

[Applause] if everyone could please make their way back to their

1:43:01

seats we'd like to begin our next [Music]

1:43:08

panel local zoning and land use regulations dictate what can be built and where while often intended to keep

1:43:14

heavy industry away from homes these regulations have intentionally and unintentionally kept people apart

1:43:20

concentrating neighborhoods by income and raise today they're also a key driver of America's housing affordability crisis

1:43:28

in communities across the country it's common for 75% or more of the land zoned for residential development to welcome

1:43:35

only single family homes even when other housing options are needed even where multifamily Apartments are allowed

1:43:41

height restrictions parking requirements lengthy permitting and other regulations limit the number and type of homes that

1:43:48

can be built and account for over 40% of multifamily construction costs the

1:43:53

result fewer new homes are built reducing supply and driving up costs for buyers and renters we created these

1:43:59

regulations and we can change them visit the twilliger center to learn more about how zoning impacts housing affordability

1:44:07

[Music]

1:44:24

good morning um glad to see all of you I see open chairs which I hope does not speak to the interest in this uh

1:44:31

hyperintensive topic of insurance my name is Kimberly cornette I lead the impact investing efforts at the Robert

1:44:38

Wood Johnson Foundation we are a \$14 billion private Foundation based in

1:44:43

Princeton New Jersey exclusively focused on health and racial Equity so you may

1:44:49

ask what the heck does a private Foundation care about insurance uh and what leads us here today uh from

1:44:56

the foundation's perspective is really our commitment to the preservation of wealth in low-income communities and uh

1:45:04

the optimization of health and what we have seen as the insurance uh markets

1:45:10

have changed rapidly in the last few years is that the health and the wealth of all Americans but particularly low

1:45:17

income Americans is really at risk and so today we really have an All-Star panel to answer all of your tough

1:45:24

questions about insurance um before I go any further I believe that a short video

1:45:29

was going to run looking for

1:45:34

Emma okay thank you um but before we do that I want to ask a question of the

1:45:39

audience um who here be honest has read your homeowners declarations

1:45:47

page okay I'm not seeing many hands uh so that is your homework for today yes

1:45:53

in the fine print of that document that I believe maybe you get quarterly and I quickly add to the recycling bucket uh

1:46:00

is some very important uh information about what your coverage is and what we

1:46:06

have been seeing is that the affordability and the availability of insurance is changing rapidly and we're

1:46:12

really going to get into today what's driving those causes so joining me today is uh really the nation's experts on

1:46:19

what is changing in Insurance Rob dpis from the New Hampshire Housing Finance

1:46:25

Agency uh Housing Finance agencies are really the epicenter of financing of

1:46:30

affordable housing across the country Tim judge the senior vice president of climate for Fanny May Gina Hardy who

1:46:38

runs the North Carolina joint underwriting Association uh the insurer of Last Resort in that state we're going

1:46:45

to talk about what that means and Scott White the insurance commissioner uh from Virginia and also the vice president of

1:46:52

the national Association of insurance Commissioners I just want to note for folks that if you do have a question for

1:46:58

the panel and please make them uh challenging um please scan the QR code and those will be captured uh at the end

1:47:04

of the panel so we're going to start with Gina um Gina what does it mean to be the insurer of Last Resort uh in in a

1:47:13

state like North Carolina when we look at housing affordability and we look at the role

1:47:19

Insurance plays in the late 1960s um the legislature in North Carolina

1:47:26

established a fair plan to make sure that we had Insurance because insurance

1:47:31

is critical for economic viability and at the same time that we established a fair plan because of the inability to

1:47:40

get um Insurance in the urban areas we also established a beach plan and the

1:47:46

beach plan was for our Coastal communities and there's many states there's around 30 plus States that have

1:47:53

either a beach plan or a fair plan or a beach and FAIR Plan I have the privilege

1:47:58

this year of being chair of the board of directors of the voluntary Association for all of the markets of Last Resort in

1:48:06

the United States and certainly it's an honor to get to work with each of those markets of Last Resorts and the state

1:48:13

determines what role those markets will play in the overall operations of their

1:48:18

states um for us we ensure about 46 66,000 policy holders and we ride about

1:48:26

\$188 billion worth of property in our beach plan most of it is wind only about

1:48:32

83% so you'll have a standard carrier that will write the property but because the wind in the Outer Banks or barrier

1:48:39

islands is so um risk um intense they

1:48:46

decide to allow us as a nonprofit to take on that role so that we can have a

1:48:52

viable solid market and our market share is not at our highest rate in

1:48:57

2013 in the beach areas we insured 80% right now we ensure

1:49:03

59% and in the coastal areas for wind we insured 51% now we ensure about

1:49:08

46% and so that is in our 18 Coastal counties and that's the role that we play and different residual markets play

1:49:15

different roles depending on the needs of a particular State and some states do not have residual markets so for example

1:49:22

right now Colorado is just putting up their first residual Market because they now have determined they have a need in

1:49:29

the 1960s was the first time that North Carolina decided that they had a need so

1:49:34

Gina um and I get to ask all The Pedestrian questions because I am still a newcomer to insurance so if I'm a

1:49:41

consumer what makes me go to the fair plan why can't I obtain private

1:49:47

insurance there's a lot going on right now in the insurance industry I think one thing there's things that cannot be

1:49:52

control so we've got you know High severe convective storms this year many of youve seen the information on hail

1:49:59

storms tornadoes this year is projected to have an 85% increase of hurricane to

1:50:06

be a very bad hurricane season and also the cost of claims the inflation for

1:50:12

construction the cost of Labor and then we have a a different Capital crisis

1:50:18

than maybe we were referring to in other panels as we we need to be able to Ure

1:50:24

for a very large cap 5 event that would hit North Carolina and what does that mean that means like every other

1:50:31

insurance carrier we need to buy reinsurance and right now there's a lot of demand for reinsurance and the cost
1:50:38
of capital because we have seen so many very large events is high so some of the
1:50:44
private markets may have retreated from some areas so the key is how can we
1:50:50
better control claims cost so that we can bring private markets
1:50:56
back in to States I mean our state it's not we're not at our historic high so um
1:51:02
you know we're certainly trying to um control all the costs that we can and encourage our private markets to engage
1:51:09
but at some point the private markets may decide that something is not insurable at the cost that the regulator
1:51:16
may be willing to allow in that given State balancing affordability too so
1:51:22
they're they're they have a lot to balance um affordability and balance um a reasonable profit for insurance
1:51:29
carriers I think it's worth noting that one in 13 Americans is not insured at
1:51:35
all uh and two-thirds of American including maybe some of you and perhaps myself are underinsured and so this
1:51:42
having this availability of an insurer of Last Resort really gives families really the the wealth protection that
1:51:49
they need in you know the the face of a a rapid ly changing uh climate
1:51:55
environment um Rob I want to go to you um Governors across the country my governor governor Moore Governor Whitmer
1:52:01
have really called for an increase in uh in Housing Development multi family
1:52:07
housing development what are you seeing in your state in terms of um the operating cost for multif family
1:52:14
developers who are trying to build new projects um how are they absorbing this rate increase in their operating budgets
1:52:21
uh with ulty you won't be surprised to learn uh and you know this comes uh at
1:52:27
least in Northern New England uh as sort of part of a a range of uh cost
1:52:32
increases that have presented significant challenges for property managers uh some of whom have aging
1:52:38
properties and a lot of these in in uh more rural areas are are sort of mom and pop businesses and so they've really
1:52:44
been strained to figure out how to make the numbers work um you know initially rents weren't going up very much and so
1:52:51
uh the the challeng was is the property even going to be solvent we saw a few more properties uh experien negative
1:52:57
cash flow over the past couple of years more recently uh the rents that restrict you know that that affordable properties
1:53:04
rent and income restricted uh properties financed with low-income housing tax credits or other public sources uh are
1:53:11
able to charge has increased and that presents a different kind of challenge because now you've got an obligation to
1:53:17
maximize rent in order to keep the property solvent but you're uh you're
1:53:22
dealing with attendant population that's on a fixed income and can't necessarily absorb a 10 or 12% increase in their
1:53:28
rents so it's it's been very difficult and what are the levers that are available to you as the CEO of an HFA or
1:53:35
that you're seeing your peers kind of exercise you know in response I think uh looking forward it's easier to come up
1:53:42
with good Solutions and so I've seen a lot of state agencies uh incorporate resilience into uh design standards and
1:53:49
and uh and we've done some of that and I think the state of Delaware with some support from the National Housing Trust has been a great
example of how to do
1:53:55
that um you know certainly underwriting with real numbers just as we experienced
1:54:01
uh large increases in construction costs and it was sort of no longer enough to look at the project that you built two
1:54:06
years ago and it escalated by five or 10% the same is true now when you're looking at an operating budget that
1:54:11

you're plugging into your proforma you better be talking to insurance providers to get uh to get some real numbers and

1:54:17

and so uh so that can all help with the projects that we're building now the projects that are existing you know I

1:54:25

think we just had a panel last week at our multif family housing conference and we heard a lot about trying to find efficiencies we heard a lot about of

1:54:31

enthusiasm and optimism about artificial intelligence in in helping to lower costs it certainly has not kind of come

1:54:38

to Bear yet um you know I I appreciate that optimism but I think it's going to be some time before those kinds of

1:54:45

changes deliver Real Results and I think we have to think about uh you know something the the sort of upsides and

1:54:51

downsides of what will probably be difficult changes to adopt for some of our smaller Property

1:54:56

Management Partners um I love that underwriting with real numbers um when I was in the tax credit syndication

1:55:02

business it's been a while but I remember Insurance being a fairly standard plug so um underrating with

1:55:08

real numbers is uh is a particular uh importance for precision at this at this

1:55:14

time um commissioner Scott White um in Virginia we just heard on the other panel about an ambitious uh housing 2030

1:55:21

plan um you in occupy a really interesting seat both in Virginia and then in your role uh at the

1:55:28

NAIC what does it look like from you know how the insurance landscape uh is

1:55:33

evolving in Virginia and what you're seeing kind of with your peers uh at the NAIC for those of you that might not

1:55:39

know the naic is the National Association of insurance Commissioners and and maybe you actually want to give

1:55:45

a little bit of an overview of what that organization does in terms of insurance regulation I'm happy too and you know

1:55:51

the first thing I would say is insurance is different from other Financial Services Industries and and by the fact

1:55:56

that it's regulated by the state it's the state-based system and that really makes sense when you're talking about something like your property markets

1:56:03

where every state faces different challenges where we are today with the you know the the natural the climate

1:56:09

risk uh and resiliency issues are we are all facing these challenges to some degree uh I would say Virginia is in a

1:56:16

little bit more fortunate position as Gia will tell you we don't get the hurricane threats quite as much as our

1:56:22

our friends to the South but we have our own challenges uh and so at the naic level we're collectively working

1:56:28

together to uh address these challenges and ultimately protect consumers and come up with solutions that we can all

1:56:34

agree that can be implemented in the states and work with the industries stakeholders and consumers uh to

1:56:40

accomplish that and certainly there's a lot to be done in this space um when you talk about what an insurance company is

1:56:46

there to do it's there to pay claims according to the the policy that it issues to Consumers and what is our role

1:56:52

as Regulators it's to make those sure those claims are paid fairly it's to make sure that the markets that the

1:56:58

companies operate in are are fair and stable and it's to make sure that these companies are solvent and able to pay

1:57:05

claims down the road and so when you look at that the focus in the in the homeowners markets for example over the

1:57:11

last few years or traditionally I would say is been focused around affordability a lot of us have viewed our roles as

1:57:17

making sure the rates are affordable uh and then also available in many States

1:57:23

including Virginia we have what's called a competitive rating market and the idea behind that is if you allow competition

1:57:29

you don't have to approve those rates and set those rates in order to make sure you get to a rate that's affordable

1:57:36

I will say in Virginia that works very well uh in States you've seen in challenges it's been on the news where

1:57:42

uh prior approval uh or other types of uh price controls or constraints uh to

1:57:47
make sure those rates are affordable can lead to challenges particularly in these highrisk RK areas and you have insurers
1:57:54
reacting to that either not renewing policies uh uh in areas where they don't feel like they can earn a profit or or
1:58:01
they feel like there's some risk there and you can even at the extreme scale of that see insolvencies right so that's
1:58:08
how we view it and there's all kinds of tensions between making sure insurance is Affordable but also making
1:58:14
sure it's available and so uh I think the three pillars of that are transparency right uh in a competitive
1:58:21
rating Market you want that price to reflect the actual risk right and I think that helps both in the short term
1:58:27
and the long term even if it is uh more expensive it's going to be you know the
1:58:32
the the insurance industry is going to be able to work with that and make their own decisions on top of that you want to
1:58:37
have it uh educate the consumers on what the actual risks and cost of that built
1:58:44
into uh the the cost of insurance which also impacts the cost of the home and you're looking at total costs and then
1:58:50
if it is too high what what can we do to mitigate that right insurance insurance companies can play a role I think that's
1:58:56
a very interesting discussion to have all the various stakeholders who can lower the cost of uh claims down the
1:59:03
road by by making sure you you uh adopt resiliency measures on the front end so I mean that's a that's a a very
1:59:11
uh critical point of this discussion which are that I think in many ways we actually know the measures that can be
1:59:17
taken that make homes uh more resilient I think the question is how do we pay for those things particularly when
1:59:23
homeowners you know are really stretched um and you start to see this equalizing
1:59:28
essentially of um you know the holding cost going you know exceeding what people were expecting do you see um
1:59:35
examples in in other states or in Virginia where both through consumer education or other tactics you're able
1:59:41
to find ways for uh to encourage homers to make those resilience measures and if
1:59:47
they are how are insurers responding right so you have developing these resiliency measures these home hardening
1:59:55
uh protections whether it's to protect against wildfires uh or hurricane risk and there's a lot out there to do that
2:00:01
we always talk about um there's an ivhs uh standard that Alabama has kind
2:00:07
of been the leader in this in this space where they have uh developed a program where uh policy holders can get uh
2:00:13
reduct grant grant payments to harden their homes up to a particular building code standard uh and again that has a
2:00:19
lot of benefits to the industry to the consumers and then long term this has really taken off in the last few years
2:00:26
so around that uh you you you definitely need funding for that and I think that's where if we talk about what can the
2:00:33
federal government do they can obviously play a role there you to scale that up and make it more AA available I think
2:00:39
you're going to see a lot of States continue to uh adopt these types of things there's a lot of innovative space
2:00:45
this is the benefit of the state-based system is all these Solutions uh that Ohio or Oklahoma May develop or c
2:00:52
California uh you could have uh within the product design of the insurance policy create incentives around uh
2:00:59
reductions in your premium or whatever it might be so we're there's a big toolkit we're developing we de developed
2:01:05
at the neic a comprehensive climate strategy that puts all these ideas together and now we're trying to
2:01:12
implement those as well so the other thing I would say around that when you want to talk about scale there are the
2:01:17
home hardening efforts but really the building codes is where you can really have the most impact and so that's not
2:01:22
anything that directly the industry can do um but we can all contribute to that discussion whereas longterm um you know
2:01:31

this is what we need to be focusing on and again going back to you know if you don't have the the pricing of
2:01:37 that insurance uh to reflect the risk you're going to incentivize behavior that long term is going to create
2:01:44 problems right and we can see that with the flood program that nfip has made changes to address that you
2:01:51 know the subsidization of the rates where the true cost of the risk is not really reflected into the cost of the
2:01:57 flood insurance uh and so there they're trying to address that through what's called risk rating 2.0 and I think
2:02:03 that's a very good example of looking at long-term how do we how do we really is is what we've been doing in the past
2:02:09 sufficient to address the the challenges moving forward thank you um you know I
2:02:15 think many of you have seen just the increase in headlines around insurance and uh and and changing Market but I
2:02:23 think you know it's a real issue and I wish I could have come up with this myself Tim but your boss uh Priscilla
2:02:29 Alder mover uh quoted Beyonce recently uh who said in her song Yaya Wildfire
2:02:36 burnt his house down Insurance ain't gonna pay Fanny May so you know it's
2:02:42 real when Beyonce is talking about it so Tim um uh Fanny May um uh guarantees one
2:02:50 in four home loans yep um you spend a lot of nights I would imagine thinking about this issue so um what is Fanny May
2:02:58 doing to you know mitigate your own exposure to climate risk um via
2:03:04 Insurance yeah I won't speak to Beyonce I'll leave it to other people um so I
2:03:11 think the first part that we've always done is we stood up a climate team four years ago with the first objective of
2:03:17 really understanding what our risk looks like now and in the future I will I will tell you awareness
2:03:23 gaps are still significant from both a consumer and a community level so our
2:03:29 losses to date have been manageable we have a geographically Diversified book we have you know insurance on the loans
2:03:36 we have a good forbearance program so that's given us the focus on what do we change in terms of awareness and what do
2:03:42 we change in terms of resiliency so our Focus has been understanding awareness
2:03:48 gaps for consumers they are still tremendously wide and they're twofold consumers in certain
2:03:54 areas don't know the risk that they're at and quite honestly they don't know what steps to take when they do know
2:04:00 what the risk that they're at and that's a real Challenge and and those gra gaps are greater on low and moderate in low
2:04:06 and moderate income communities they're greater in most minority communities so the awareness Gap is something that we
2:04:11 focus on a lot so we go into communities and we talk about some of these risks to see if we can you know educate consumers
2:04:19 I will say at the community level too people who are setting a policy for what
2:04:24 the uh Community should look like from a climate perspective there's large awareness gaps there people just don't
2:04:30 have the tools of understanding what their city is going to look like in 30 to 50 years so one of the things we've
2:04:36 also done has spent a lot of time going into communities saying this is what you look like in 30 to 50 years and then is
2:04:43 there an opportunity to take that knowledge Gap shrink it and then hand them off to somebody who can help them
2:04:49 like the Army Corps of Engineers so that's what we're doing on the awareness side on the resiliency side I think
2:04:54 we're all going to say the same thing is Insurance crisis is not resolved by making insurance cheaper you know
2:05:02 insurance is going to go up this is a long-term structural issue relative to
2:05:08 climate change right it's not going to change so what the tools are are really more about resiliency and on our side we
2:05:15 focused on twofold one is creating programs to help Borrowers um make their

2:05:22

properties more resilient make it easier for them to refinance into a more resilient product and then secondly it's

2:05:29

taking a look at our own book and the properties that are in our book and doing things like the Fortified roof to

2:05:35

see what it's going to cost and making our properties as resilient as possible before we put them back on the

2:05:42

market yeah I mean fortified roofs um you know has had tremendous success I mean again you know a shout out to the

2:05:49

state of Alabama which um due to the their own instability in the insurance Market five or six years ago launched

2:05:56

this grant program which has now been replicated by a number of states and because of their persistence in uh

2:06:02

offering these grants to homeowners to uh strengthen the roof with a fortified roof have really reached a level of

2:06:09

penetration uh where they have really seen material changes in the stability of their insurance Market it's a it's a

2:06:15

real model I think from the foundation's hope we keep talking with Alabama is is there a different way to do this in in

2:06:21

terms of trying to go beyond grant funding because public grants are just so so limited in their Source but it

2:06:26

certainly is a tremendous a tremendous model Tim just one other question for you I mean what is kind of the macro

2:06:32

risk to the mortgage Market you know in terms of a scenario which you know home prices go down holding costs go up um

2:06:40

you know you talked about you know people's inability to look out 30 or 50 years but what what do you see from your

2:06:46

Vantage Point yeah right now I think this you we've talked a lot about Supply

2:06:51

and affordable Supply the signals on affordable Supply overwhelm the signals

2:06:57

right now on climate that's not a great thing right because we have two challenges um I think from the long term

2:07:04

we're starting to see consumers care a lot more about the availability and affordability of insurance our national

2:07:10

housing survey says 2third of the consumers in that survey said they think

2:07:16

their premiums have impacted due to natural disasters the positive side is third said I'm starting to do something

2:07:23

about resiliency of my own property so you are starting to see some changes and

2:07:28

you are starting to see people look at properties from a resiliency in a cost

2:07:33

perspective what does that mean it means if certain uh certain areas have issues

2:07:39

with affordability or availability you are going to see impacts to housing prices I think that's a fair

2:07:45

expectation um so really what we've looked at is how do we get the information into folks hands now rather

2:07:52

than you wait for a very long time and then you have a cliff effect in some of these markets we'd rather have people

2:07:58

understand the actions that they need to take and start taking those smaller actions now before they have to take

2:08:04

really big actions yeah and um you know from the foundation's perspective I think that

2:08:10

what we see is that um you know the wealth of most American families really

2:08:15

their balance sheet is comprised very significantly of their home and so the preservation keeping people in their

2:08:21

homes both in a healthy way and in a financially sustainable way so that families can hold on to that wealth pass

2:08:28

that wealth down to their uh to their families is part of the reason that we've been working with insurers really

2:08:33

looking for Solutions particularly uh with a Target on communities with with

2:08:39

low incomes to make sure that the wealth that they have worked so hard to acquire for their families really isn't lost um

2:08:45

as a result of of climate change or or price increases um I want to encourage the audience to kind of be thinking

2:08:51

about um your your toughest questions but to kind of get us uh get us going

2:08:57

let let's talk a little bit about homeowners with with low incomes homeowners on on fixed incomes you know

2:09:03

there's no slack in these families budgets you know either to make these resilience measures you know or to

2:09:08

absorb you know C hikes you know from a from an hfas perspective these are your

2:09:13

customers in many ways what what are the tools that we can provide to lawmakers

2:09:19

policy makers homeowners you know for those folks who are really you know at most risk and and just simply don't have

2:09:25

the household wealth to be able to absorb the changes yeah I um I wish I had better

2:09:31

answers at sort of the retail level for for homeowners and the borrowers that we're we're serving I mean I think we

2:09:37

heard a lot earlier about how the affordability crisis is a supply crisis and I think that as we look at uh you

2:09:44

know policy responses to the supply crisis I think a number of states and cities have done a great job of uh

2:09:50

incentiv ing or forcing uh greater density in areas that are served by transit and I think it may be

2:09:56

appropriate to think about uh climate in that same conversation and so if there are municipalities that have areas that

2:10:02

are likely to be more resilient less vulnerable to uh you know natural disaster or whatever other type of uh of

2:10:10

uh event might be driving up these costs and it's all Zone single family that's that's a problem the state should have

2:10:16

something to say about I also think that policy makers should be thinking about the cost of

2:10:21

uh construction and replacing the properties that are lost and because that's you know at the root of it that's

2:10:27

a driver of insurance costs right and so I'm excited for the manufactured housing panel later but I think that one one

2:10:34

small victory we've had in the New Hampshire legislature this year was uh a law that makes it easier to build

2:10:39

manufactured housing on single family lots which will bring costs down and so if you can replace a home that's

2:10:45

destroyed for \$300,000 instead of \$800,000 that's going to that's going to bring your costs down over the long run

2:10:50

as well rob you mentioned kind of where things are being built and for the panel generally I think what we have seen um

2:10:57

really since the pandemic is some interesting population Trends right where actually people are moving more

2:11:03

rapidly towards climate vulnerable areas this is likely kind of a policy a Zony

2:11:09

discussion but you know how do we think about both the consumer education of you know what is to come as well as kind of

2:11:16

working with local municipalities around you know building codes and uh other zon

2:11:21

laws that may deter people from going to very risky areas doo do you have thoughts on

2:11:26

that I I actually have thoughts on your previous questions so then I may leave like some of the uh public policy to

2:11:33

some of my other esteemed colleagues but as the market of Last Resort we ensure a

2:11:41

large amount of lower income um families in North Carolina so we decided being a

2:11:48

nonprofit how could we look at mitigation a little bit differently so

2:11:53

we were trying to incentivize like every other insurer by giving credits on your

2:11:59

insurance if you put in mitigation the issue was is that not a lot of our policy holders actually for

2:12:06

in 2016 had actually installed a fortified roof so we started to try to

2:12:12

look at it differently and so one thing that we did is we looked at well what were our cost savings so when someone

2:12:19

put on a fortified roof we saved in our reinsurance cost and we saved in our

2:12:25

claims cost we did a study with NC State Institute of data analytics which showed

2:12:32

over four hurricanes for those risks that had fortified um homes and roofs that it was

2:12:40
a savings of 34.5% less chance of having a claim and
2:12:46
a 22.7% less building damage so then how do we incorporate the claim savings and
2:12:52
our reinsurance savings to then pay for us some mitigation work so the first thing we did is we drafted a
2:12:59
proprietary um endorsement which has now been used in several other residual markets around the country and also has
2:13:06
been adopted in some states um with the private Market which says that if an
2:13:14
insured experiences a claim and if that insured has to have their roof replaced
2:13:20
we will will replace the roof with a fortified roof so we're making their property not only making their property
2:13:26
whole but making their property better than it was before and then in the Outer
2:13:32
Banks and Barrier Islands again we conducted this study um looking at our cost savings we then took that cost
2:13:39
savings and gave it as grants and we gave out um at first \$6,000 grants and
2:13:46
as our cost savings we were able to justify it more especially as the cost of capital for reinsurance went up we've
2:13:53
increased those grants to 8,000 for the Outer Banks and barrier islands and we're about to announce fourth quarter that
2:14:00
we're going up even higher on those helping people to get a fortified fortified roof as we went further Inland
2:14:08
we couldn't totally cost justify paying out \$6,000 for Grants and
2:14:14
at that point we went to our state legislature and said we will provide all of the Staffing we will provide all the
2:14:21
systems and we will provide a dollar for dollar match and so we call it a challenge Grant so this year we're
2:14:28
challenging either federal state or or an organization to match up to \$20
2:14:34
million in those 18 Coastal counties to help people give grants to put on
2:14:40
fortified roofs and so we're leaning in we understand that we're providing a lot
2:14:46
of the wind coverage in those 18 Coastal counties and we're trying to cost
2:14:51
justify it based on the savings that we are experiencing as a company and so
2:14:56
that's how we're doing it and then the land use I'm going to Pivot over to some of my other esteemed
2:15:03
colleagues Tim wondering if you have thoughts on that so we we have a lot of
2:15:08
discussions on Supply and then we have discussions about let's move out of a lot of different
2:15:14
areas I don't see that as the solution honestly I see the solution as really
2:15:20
leaning in on resiliency in many of these areas these properties can be made resilient in order to make that a
2:15:26
sustainable House are there going to be places where that is not economic and
2:15:32
where managed Retreat makes sense yes I think that's yeah I think we all have to embrace the idea that there are some
2:15:38
places in the United States that housing is not there for the long term but
2:15:43
that's a small portion of the areas that we're talking about and so really what we need to figure out is how do we lean
2:15:51
into that in more what I would call inclusionary investing versus exclusionary investing there's people
2:15:57
who say there's climate risk in this area let's not invest there there's people who say there's climate risk in
2:16:02
that area let's invest in there right we want the ladder we want folks who are going to spend the money to get
2:16:09
resiliency to get um the properties to be at a place where they're sustainable
2:16:14
and quite honestly there's no way you're going to change the housing Gap and the costs of housing unless you start
2:16:20

putting strong supply all over the United States I was at a conference

2:16:25

yesterday with Rory Wright who is the president of ibhs which is the facility

2:16:30

that's doing research on how do we make homes stronger to stand up to these natural disasters and some of the

2:16:36

solutions are very easy I mean a fortified roof is more expensive than some of the Wildfire protections where

2:16:43

you just need a 5ft barrier from your house now I know that some people are you know don't want to give up their

2:16:51

shrubs but um it's something that we need to deal with education so that that

2:16:56

you do have like you said more opportunities to um build in areas if we

2:17:02

take responsible measures yeah and that's a great Point like wildfire is for a large part of it a behavioral

2:17:09

Peril if you do the things that you need to do about your property you'll be good if you if your community understands the

2:17:16

kind of barriers that you need relative to Wildfire you'll be resilient so I do think there's opportunities there um and

2:17:23

I and I do think the cost is part of the reason why we do some of these resiliency efforts on our own properties

2:17:29

is to see what the real cost is you know we get the bills we can understand we can understand what the affordability of

2:17:35

certain of these measures are is every property have to be built to the highest level of resiliency no because that

2:17:41

really starts a challenge affordability but if we have transparency to that we can help consumers make that choice I I

2:17:48

love that notion of a behavioral Peril uh because in my job we have the the pleasure of uh being able to think a lot

2:17:54

about what does what causes systems change and I often think about system

2:18:00

change really coming via three Pathways you change markets you change behaviors

2:18:05

and you change policy this feels like an issue where we're going to really have to to do all three um before I go to the

2:18:12

the audience's questions which I hope are coming um Scott I wonder you know I think one of the the things that maybe

2:18:19

is unknown to many people perhaps not in this room really is that you have this kind of bifurcated system with you know

2:18:25

Insurance being really kind of regulated at the state level um but in a disaster situation you know really it's the

2:18:32

federal government that is often responsible for so how how do you think about kind of where the solutions lie or

2:18:40

how States and the federal government really need to partner together in order to get to a stable Insurance Market na

2:18:47

Nationwide well I think I think that's a good question I think when as we were talking about earlier a lot of these are

2:18:54

policy questions and and the states develop policies you have have policies

2:18:59

around their markets and making sure again there's a a safe and Stable Market with consumer protection and a solvent

2:19:06

uh uh industry uh and around that we we've been talking today about with with climate risk um the idea of whether or

2:19:14

not to rebuild in certain areas that we're talking about and then around that educating make sure the the true cost of

2:19:20

insurance is priced in and once it's priced in the insurance Market can hopefully um you know provide that

2:19:28

coverage and make and it can be affordable around the mitigation piece so I think that's kind of the strategy that's developed and you see that going

2:19:35

on I think very um uh effectively at the state level right now um I I did want to

2:19:42

mention you know this piece about uh education and awareness so you making informed decisions about where you live

2:19:49

right and so one thing the I see the states are doing is doing the largest data call in in the history of the

2:19:55

industry in terms of finding out uh what what's going on these markets in in at a granular level in most of these states

2:20:02

and and and once you have that information you can make better decisions around the solutions we want

2:20:07

to use the applied research that we have available to us around through the ibhs that we've been talking about with the
2:20:12
Fortified and other programs and you think about the Decades of of data and
2:20:17
modeling cap modeling we haven't talked about but all of can inform decision making so you have that information
2:20:23
available that you can get to Consumers and policy makers and when again when we talking about the federal government I
2:20:30
go back to um you know the funding piece right if you're talking about taxpayer funding around mitigation again that's a
2:20:37
core pillar there are ways that they can contribute to that um and there there are other pieces around that but I do
2:20:42
think it's the states that are driving some of the solutions when it comes to the insurance piece of it right I think
2:20:48
it really depends on how you frame it is this this an insurance crisis or is the insurance affordab affordability
2:20:55
availability issue a symptom of a larger crisis that again there all kinds of policy makers should be invested in that
2:21:02
and I think there's a role for the industry and I think there's a role for State Regulators we we should be pulling up a
2:21:08
chair for an insurer though I feel like that's a voice that's missing in this conversation um I want to go to a
2:21:13
question that has come in which um Rob unfortunately I think it's going to come right back to you affordable housing
2:21:20
providers are struggling with operating costs now in large part due to Insurance what are the short-term solutions to
2:21:26
make sure that we don't lose affordable units due to skyrocketing Insurance costs and I mean this gets to you know
2:21:33
the just the the difficult question of for affordable developers who are trying
2:21:38
to keep rents affordable and you've got increasing operating costs that may have not been anticipated what do folks do
2:21:45
know you talked a little bit about some mom and pop operators in in your state of New Hampshire yeah it it's it's an
2:21:50
important question and while it's one that we haven't seen sort of Hit the properties that we oversee it's it's happened elsewhere in the
country and we
2:21:56
see the trend I mean I think this this question assumes that you've done everything you can to find efficiencies you've maximized your rent to
the degree
2:22:03
that it's feasible um it probably also assumes that your deductible has increased to the level that is allowed
2:22:09
by uh and if you're working with a tax credit property usually the investors have some limitation in New Hampshire
2:22:14
it's generally \$110,000 um but I think we may need to be more open-minded about the deductible
2:22:20
particularly in the context of a very robust portfolio that has um considerable reserves uh so what I would
2:22:27
say we you know the next levers that we would consider pulling in that uh in that scenario is uh preservation options
2:22:35
and so uh preservation financing can do a lot to harden and improve the efficiency of properties I think as
2:22:42
allocating agencies and certainly our federal Partners need to think hard about how we can streamline those
2:22:48
opportunities so that particularly smaller and Rural and uh less sophisticated partners that we work with
2:22:54
are able to take advantage of them and there's a lot of good energy and funding coming through the green and resilient
2:23:00
retrofit program and and hopefully soon with the epa's various uh programs under the inflation reduction act I I have
2:23:06
some concerns based on what we've seen yet about the degree to which those will be accessed by the uh properties that
2:23:13
are most vulnerable uh Gina I'm going to pass this one to you how can we incentivize
2:23:18
insurance companies to stay in areas at risk of natural disaster and keep costs affordable climate change will only
2:23:25
continue to worsen weather events and we need a solution what do what are you saying I mean North Carolina has some
2:23:32
some very climate vulnerable areas we do and I think that we're focused on
2:23:37
climate but we also have to focus in on the other um areas that cause increase

2:23:44
in cost for insurance companies so making sure that as a state
2:23:50
that we control social inflation you know encouraging a positive legal
2:23:56
environment I was very fortunate to have a you know very supportive insurance
2:24:02
commissioner supportive um governor and supportive general assembly and a good legal environment so when we had
2:24:08
hurricane Florence we had a 100,000 claims we were able to restore lives
2:24:15
very quickly we settled 90% of our claims within 60 days and ultimately we
2:24:21
had 54 lawsuits you've seen much higher lawsuit numbers um in other states and
2:24:29
so you know what can you do to control those that social inflation and also
2:24:35
making sure that we have balanced forms in terms of having you know coverage
2:24:42
forms that balance the needs so one issue I know that one state was tackling
2:24:47
was the concept of assignment of benefits you know we tackled that problem in 2016 and most recently one
2:24:54
other state just recently tackled it but what that allows contractors to do an
2:25:00
insured can assign their rights to a contractor and you don't have an insur
2:25:06
at the table during the settlement we allow an assignment of benefits but the
2:25:12
insurer has to be aware of it so that's what I would consider a balanced form but just those two two issues alone you
2:25:20
know can certainly um you know Drive claims cost up so we've got to be able
2:25:26
to provide the entire environment and certainly everything that we can do the one thing I like about the way that our
2:25:33
state is doing the resiliency is that they are putting their resiliency dollars matching them with ours in hopes
2:25:39
that we will get some of these risk that are in our Market of Last Resort that will then trans transmit back over to
2:25:47
the private market so as we have more resilient properties in the residual Market maybe those will go back to the
2:25:53
private market and then encouraging more private markets to come into the state you know how do you set up so that you
2:26:00
balance the needs of the private market and the residual Market in your States because there may be some risk that the
2:26:06
private Market just cannot take and that may be where your residual Market plays a role so that they can have a very
2:26:14
solid overall um State um before we go to to Tim for the
2:26:19
next question um Gina I just want to ask you know could can you just help the audience
2:26:25
understand what is the the premium differential between a consumer who is
2:26:30
getting their insurance through the fair plan not North Carolina specifically but more broadly and a private insurer how
2:26:36
so how did those two coverages differ both in terms of economics and the
2:26:41
coverage so I would tell you that really varies by state and each state does
2:26:47
places their residual market and the pricing of their residual Market Market differently some of them are on you know
2:26:53
a preapproval we are based in statute that we use our rape Bureau rates plus a
2:26:59
sirch charge some of the states require that you have declinations from private
2:27:04
markets prior to going into a residual market and so that really is a state
2:27:10
decision and is there a liability um to the state if your residual Market gets
2:27:16
too large is there an incentive for the state to try to keep um the market is stable as possible and keep people out
2:27:21

of the fair plans I think every funding again is really different from state to

2:27:26

state and how the funding is set up even the two companies I run the funding is

2:27:32

done at different levels but we buy reinsurance just like the private Market buys reinsurance and we're certainly

2:27:37

facing increasing costs as we look to finance our exposures hence the complexity if you

2:27:44

know Insurance in one state you know Insurance in one state so uh Tim this one's for you and then we'll we'll close

2:27:51

it out and thank our panel affordable housing providers are seeing their insurance policies canceled in some

2:27:56

areas what protections can be put in place yeah I I would say the two areas that we are most concerned about are

2:28:03

affordable housing multif family areas and we talked a little bit about senior housing too both of those are real

2:28:09

challenges um we have not seen many cancellation policies on the properties that we guarantee um but there are a lot

2:28:16

of challenges and so some of the things that we do in the short term are to allow variances in terms of what they're

2:28:22

allowed to do so are they allowed to get coverage but exclude a certain Peril are they allowed to do a higher

2:28:28

deductible understand all those things don't change the risk profile you've just shifted some of the risk more to

2:28:35

that property right and in the short term maybe where we are in this market that makes sense in the long term it

2:28:42

doesn't really make sense insurers are better situated to own to hold that risk than an individual affordable property

2:28:49

um but we also work with a lot of our lenders and a lot of our borrowers to

2:28:55

understand what are the levers that they can pull for many years people used to get their insurance policy and it was

2:29:01

just a stamp and yep next year let's keep doing it and they wasn't even reviewed to your point uh many of us

2:29:07

don't review it um now that's changing and they have to get a lot more educated about what about your property is most

2:29:14

beneficial what are most concerning to uh an insurance company U so part of our

2:29:20

thing is educate and allow people to have as much information about what levers they can pull in order to ensure

2:29:27

availability of insurance well I want to thank uh our tremendous panelists uh who each bring a

2:29:33

unique perspective to this important issue and to the bpc and the toar center for really shining a light on this

2:29:39

systemic issue in housing um thank you all thanks for our good questions and

2:29:46

uh I believe that there is a delicious lunch uh waiting for all of you so enjoy

2:29:52

and enjoy each other's company thank

2:29:57

you at this time there is a lunch and it is up on the fourth floor so you'll need

2:30:03

to make your way up one more level and that's where your lunch will be

2:30:11

[Music]

2:30:28

the lunch will be about 40 minutes we'll have our next panel at 12:45

2:30:35

[Music]

2:31:10

[Music]

2:31:39

[Applause] [Music]

2:31:47

[Applause] [Music]

2:32:11

[Applause] [Music]

2:32:22

[Music]

2:32:27

[Applause]

2:32:43

[Music] [Applause]

2:32:48

[Music]

2:33:07

[Music]

2:33:23

he

2:33:30

[Music]

2:33:45

[Music]

2:34:11

[Music]

2:34:20

oh

2:34:34

[Music]

2:34:43

[Music]

2:34:50

oh [Music]

2:35:28

he

2:35:34

[Music]

2:35:57

he [Music]

2:36:30

[Music]

2:36:36

[Music]

2:37:01

[Music]

2:37:13

hey [Music]

2:37:30

[Music]

2:38:09

[Music]

2:40:19

o

2:40:44

[Music] oh

2:40:52

[Music]

2:41:02

[Music]

2:41:31

[Music]

2:41:39

[Music]

2:41:54

[Music]

2:42:12

[Music]

2:42:26

[Music]

2:42:37

[Applause] [Music]

2:42:59

[Music]

2:43:17

[Music]

2:43:37

[Music]

2:43:52

[Music]

2:44:07

[Music]

2:44:47

[Music]

2:45:09

[Music]

2:46:27

[Music]

2:46:56

[Music]

2:47:05

[Music]

2:47:17

[Music]

2:47:22

[Music]

2:47:30

[Music]

2:47:38

[Music]

2:48:16

hey [Music]

2:48:29

[Applause] [Music]

2:48:39

[Music]

2:49:25

[Applause] [Music]

2:49:49

he

2:49:55

[Music]

2:50:26

[Music]

2:51:05

[Music]

2:51:30

[Music]

2:51:41

[Music]

2:52:12

[Music]

2:52:19

[Music]

2:52:55

[Music]

2:54:18

o [Music]

2:55:36

[Music]

2:55:54

[Music]

2:56:03

[Music]

2:56:47

[Music]

2:57:05

[Music]

2:57:43

[Music]

2:59:29

[Music]

2:59:45

[Music]

2:59:59

[Music]

3:00:29

[Music]

3:01:04

[Music]

3:01:35

[Music]

3:01:53

[Music]

3:02:05

[Music]

3:02:15

[Music]

3:02:21

[Music]

3:02:30

[Music]

3:02:39

[Music]

3:02:51

[Music]

3:03:02

[Music]

3:03:08

[Music]

3:03:14

[Music]

3:03:40

[Music]

3:04:03

[Music]

3:04:12

[Music]

3:04:23

[Music]

3:05:05

[Applause] [Music]

3:05:41

[Music]

3:06:03

[Music]

3:06:21

[Music]

3:06:35

[Music]

3:06:58

[Music]

3:07:13

[Music]

3:07:28

[Music]

3:07:43

[Music]

3:07:50

[Music]

3:07:58

[Music]

3:08:16

[Music] we're seeing record rental prices across

3:08:22

the United

3:08:27

[Music] States you know there is a phrase we use

3:08:33

in back in the country it says being without food but don't be without uh

3:08:39

shelter or home you know shelter is very important then food you know that's very yes

3:08:52

Cal Dage from theing

3:09:00

record my name is Fazal Robie say I born in Afghanistan I you know I start to be an

3:09:07

interpreter you know trying to help alongside the army or Coalition

3:09:14

forces that's why you know I got selected as one of the uh special immigrant to come here to United States

3:09:22

just to to be safe at Le have a hope for my kids to have a bright

3:09:31

future when I was 15 my mother passed away and then a year later at the age of

3:09:39

16 I entered the American foster care system it became a challenge navigating
3:09:47 with where I could see his home I've pulled myself out of some
3:09:53 pretty bad spots but one thing I couldn't get around was the fact that I needed
3:10:00 housing and what I was making was just not cutting it I got a job and one of the team
3:10:08 member was telling me that don't be surprised when you get your first you know check you
3:10:14 know cuz no matter how hard I was working I couldn't afford sometime you know working working as much as you can
3:10:21 work you know like three jobs in college I would do evening classes and then I
3:10:27 would work during the day Monday through Friday and then I would do my second job 16 hours every weekend because I did not
3:10:36 know where I was going to end up it was one time like I didn't see my
3:10:42 son for a week with the same house you know especially that was the first two
3:10:49 years imagine you know you do whatever for your kids and you don't get to see your kids and your kids like can't see
3:10:55 my dad it was really
3:11:00 hard when you think about basic human needs food clothing and shelter right we're talking about shelter how can a
3:11:08 family grow and prosper if they don't have a home that they can afford in a
3:11:13 decent neighborhood it's foundational for family growth
3:11:19 in the past several years the situation has become more urgent than we've seen even 10 years
3:11:27 ago there are so many American families that don't have enough income to afford
3:11:33 rental housing much less transition to home ownership half of the renters in this country are what we call Cost
3:11:39 burden they're paying more than 30% of their income for housing it has implications for people's lives has imp
3:11:47 lications for where they work whether they can afford to be in the market because uh they can't afford the rents
3:11:53 there it has implications for how their children
3:12:02 live so we need to do more on the supply side we need to find a way to build more
3:12:07 affordable rental housing the low-income housing tax credit allows investors who
3:12:13 are seeking some break on their income tax bill to invest money in housing and
3:12:20 get credits that then will write down their tax bill and the result is funds
3:12:25 to build additional low-income [Music]
3:12:41 housing now I know that I can enjoy the life you know being with the kids still
3:12:47 working but come home and when I have time we work together with him so that's how we build this you know we want to
3:12:54 make sure that they progress in their studies so uh they can have a good future in a brighter
3:13:03 future and so we both try and add to the supply and then we provide more money on
3:13:10 the demand side on what we call the demand side the Section 8 vouchers are
3:13:16 the prim primary way to help people afford housing vouchers are a way for a
3:13:22 resident to get into an apartment that costs more than what they can afford
3:13:28 with their 30% of budget allocated to housing the voucher program changes the
3:13:35 trajectory of our
3:13:45 futures there definitely would have been a lot more detours a lot more failures a

3:13:51

lot more [Music] uncertainty I am currently searching for

3:13:57

houses but my goal is by the end of the year to be a

3:14:03

homeowner without the voucher program I can't really imagine where I would be

3:14:08

right now I think it's important to build on the programs that we have the

3:14:13

problems are too urgent to start from scratch first off I think housing is a nonpartisan issue but I certainly

3:14:20

believe that the bipartisan approach to solving it is what needs to happen I

3:14:25

would go further and say every social goal that we want for the people of the United States better education Better

3:14:33

Health Care more stable family environments revolve around housing

3:14:40

because just like if you hear my story you know they would change their life it

3:14:45

gives people roots gives people a foundation to start from a

3:14:52

precondition for making progress on almost every social goal that we have in the country is to have a decent place to

3:14:59

say tonight I'm going home to

3:15:08

[Music]

3:15:13

rest good afternoon everybody I'm Ava butra the economics correspondent at the

3:15:19

Washington Post and I am thrilled to be moderating this next discussion we are

3:15:25

in Washington after all so we've got to talk about the election and we'll be focusing on the central role of housing

3:15:31

particularly affordability in the presidential race as well as how the election could change the course of

3:15:37

housing policy so I'd like to introduce our panelists here we've got a great lineup starting with Seth Appleton

3:15:43

president of the US mortgage mortgage insurers Seth was previously in leadership roles at HUD and jinny may

3:15:51

next to him is Laura AR senior vice president of economic initiatives at unidos us where she works on expanding

3:15:58

home ownership in the Latino Community Sarah brundridge next to her CEO and

3:16:03

president of the National Association of affordable housing lenders and last but

3:16:08

not least Mark Calabria senior adviser at the KO Institute and former director

3:16:14

of the fhfa so before before we kick off the conversation um I'd like everyone to

3:16:21

submit your questions you can do it using the QR code in your program or you can submit questions through the link on

3:16:28

the YouTube chat so please don't be shy we'll have questions at the end and with that we'll begin I'd like to start big

3:16:36

picture here um housing costs have soared in the last few years now we have high interest rates and a general sense

3:16:43

that home prices could stay high for a while um the stage for us here just how important of an issue is housing as we

3:16:50

look to the election and why has it become such a Salient concern Seth would you like to start sure so look I've been

3:16:58

in Washington like for 20 years now which is hard to believe but I have not seen housing takes such a central kind

3:17:05

of role in a presidential election since 2008 um and it's a very different set of

3:17:11

issues obviously in Supply what this conference today is focused on is at the very heart of it but it's it's it's not

3:17:17

just affecting kind of one particular um demographic of the country or one

3:17:22

particular geographic area whether it's rural suburban Urban um America

3:17:27

Republicans Democrats like housing is a front and center issue and the lack of Supply is at the center of it and so I

3:17:33

think you're going to continue to see that bubble up because it's what's on the minds of the American people right

3:17:40

now one of the biggest problems as you mentioned is excuse me a lack of Supply

3:17:45

particularly for affordable homes and we've started to see a bipartisan push in Congress to increase housing Supply

3:17:52

by expanding tax credits rezoning land use reforms um but we're also five

3:17:57

months away from November and I'm interested in how you think the election could change the picture and how do you

3:18:03

keep that momentum going once we have a new Congress in place does anybody want to take that one I'll take I'll take a

3:18:10

stab um so again I first want to emphasize what um Seth said and also

3:18:15

placed in the broader context next that I think if if cost of living r large is

3:18:21

probably the primary economic issue and housing fits into that as well as food and gas and everything else and so

3:18:28

certainly if Trump gets re gets elected there's going to be a sense of cost of

3:18:34

living concerns were behind that played a role and so I certainly think that a new Administration would come in with uh

3:18:41

feeling like they've got a mandate and a responsibility to try to bring down cost of livion RIT large including housing so

3:18:48

the short answer would be the emphasis on housing Supply is not going to change but what I would say would change would

3:18:54

be the substance um and not to be you know ungenerous but I feel like every time I read a release from the

3:19:00

administration that says you know we care about housing Supply and I read it 90% of it is about increasing demand and

3:19:06

and so I think you would see a switch away from that you know um certainly the

3:19:11

widening of the credit box in the last several years has increased demand and added to an housing inflation so you'd

3:19:17

see reversal of that um I think you would see a shift of focus so for instance there you know Senator Lee has

3:19:24

a bill there's been a lot of conversation about the federal government owns a tremendous amount of land if we release just 1,000th of that

3:19:32

um you could build almost three million units I think it's fair to say the current Administration is absolutely opposed to any use of public land for

3:19:39

housing so that's a pretty distinct difference so again to summarize the emphasis and concern is not going to

3:19:45

change it'll still be there what will change is the means of accomplishing

3:19:50

it if I could add to that I do we um I don't us last week we convened a round

3:19:56

table in Las Vegas around housing issues and you know we know you know Nevada is

3:20:02

is is a Battleground State um it's a state that demographics are really shifting and it's a one of the ground

3:20:08

zeros for the housing crisis in this country and it was really interesting we talked about a lot of the challenges and

3:20:13

solutions around housing both in terms of the supply and the demand side and interesting you raised that Mark because

3:20:18

the number one topic people wanted to talk about is federally owned land and what opportunity there was particularly

3:20:25

kind of around the outskirts of cities to convert some of that land to support you know Housing Development and I'll

3:20:30

say that we had um a a bipartisan group of elected officials State local

3:20:36

and some representatives from the White House and they were hearing this and I think there was some interest and being able to look at some of those Solutions

3:20:42

because you know there really is a need to do the and I'll note on that regard uh decades ago then Senator Harry Reid

3:20:50

created a mechanism to convert federal land around Clark County into housing

3:20:55

and it you know Las Vegas would be even more unaffordable if you had not done that but again it's it's the Rubber

3:21:01

meets Road when I talk to my friends and the governor's office in Nevada they say the administration is fighting them on

3:21:07

releasing more federal land so I think it's fair to say that would change you would see a much friendlier and then

3:21:12

you'd see a question asking if we're allowing this the legacy of Harry Reid in Nevada to take place why can't we do

3:21:18

this in Colorado why can't we do this in New Mexico why can't we do this in California I I'm going this is

3:21:25

going um um having come fresh out of the

3:21:30

administration and working on the housing Supply action plan I think it's really notable this president has talked

3:21:36

about housing more than any president since LBJ the State of the Union was truly historic and the housing Supply

3:21:42

action plan was laced with Supply incentives reinstating some policy levers that the pr administration had

3:21:48

stalled so I agree that any Administration is going to be under

3:21:54

pressure to provide housing Supply Solutions and I think the challenge for either scenario is that a lot of our

3:22:02

housing Supply Solutions are kind of system level unlocking land expanding

3:22:07

the low-income housing tax credit but everyday Americans need to see consumer level relief everyday renters and

3:22:14

homeowners and aspiring homeowners and just members of our community whether it's they want to see a decline in

3:22:20

homelessness to they want to be able to buy a home they want to feel it in their monthly you know bank account and that's

3:22:27

a challenge for all of us in policy to kind of determine what what Solutions we

3:22:33

can offer including those that don't trigger more demand Supply pressures um

3:22:39

I think and this is you know I don't want to drill topic but I think the biggest difference we'll see in housing

3:22:44

policy approach across the two scenarios will be around fair housing and civil rights and access to housing in

3:22:50

historically segregated exclusive neighborhoods and what is the role of government and I think you could see a

3:22:56

real scaling down I'm just like going straight to it sure um you could see a real attempt to scale back and scale

3:23:03

down federal agencies that are necessary to administer the federal housing funds

3:23:09

including those bread and butter rental assistance public housing cdbg home um

3:23:15

that locality needs so I think there there's a lot on the line I think I mean I appreci I think Sarah has helpfully

3:23:21

kind of laid out what I think the real contrast is and I'll start with during my tenure at fhfa we saw historic

3:23:28

increases in minority home ownership that has flatlined since I left policy

3:23:33

does matter and I think the fundamental difference is do you believe that on one

3:23:39

hand you create an overall economic environment of job growth income growth where home ownership in economic ability

3:23:46

can flourish or do you have this trickle down Grant I'm going to give a subsidy here to this and subsidy here and hope

3:23:53

that it somehow gets to the tenant like again I will you know the most bipartisan thing probably talked about

3:23:58

is a tax credit but let's be honest when it's taking you a million dollars to build an affordable housing unit in much

3:24:04

of California that's a that's a shame that's a tragedy that is an offense

3:24:09

because that money is not going to tenants and so I would simply say the fundamental difference is really do you

3:24:15

expect a Washington subsidy trickle down effect or you going to create a greater environment that creates affordability

3:24:22

like we did when I ran fhfa I mean I think we need to support an environment that Fosters you know reduced regulation

3:24:30

you know land use reform building but I think we also need targeted investments

3:24:36

in support for those who traditionally have been left behind because we can have the best environment but what has

3:24:42

has happened historically in this country is when all the economic conditions are know put in the right

3:24:47

place there's still those who are left behind whether it's communities of color whether it's firsttime buyers first

3:24:53

generation buyers um lower moderate income families and so I think we need to do both I'm again and I I think we

3:25:00

did um Seth you recently testified before the house Financial Services committee where you talked about the

3:25:06

need to coordinate Housing Finance policy so that you know we have private Capital but it isn't crowded out by

3:25:12

government back policies how how could the results of the ction affect the Dynamics there what can we expect look I

3:25:19

and I think there'll be a lot of interesting views on this but I I do think it's critical that if private capitals ready willing and able to take

3:25:26

on credit risk in the system that that's good for everybody and good for the market borrowers consumers lenders the

3:25:33

gsse what have you um you know I'm I'm with the mortgage insurers today and uh

3:25:38

they've helped drisk the gsse since the crisis have paid \$60 billion worth of claims that otherwise would have been

3:25:44

borne by American taxpayers um I think it's safe to say as as far as

3:25:49

kind of what it would look like depending on the election result I think that if you look at the during the Trump

3:25:55

Administration there was a Housing Finance reform plan published and so I think it's fair to say that there there

3:26:00

would be renewed exploration of the things in that plan I would also point to kind of my previous uh 10 years of

3:26:07

staffer on Capitol Hill for a long time much of the current Congress um has been

3:26:13

elected to office since Hara was passed since the gc's entered conservatorship in 2008 so I would not expect kind of

3:26:20

the Congress to initiate major reform from that perspective but I do think if there was kind of um a focus on it by

3:26:27

the administration you would see more in Congress become interested in it again the bottom line is maintaining a well

3:26:33

functioning system though I think is in the interest of everybody both parties the American people and so we

3:26:40

should make sure that that's kind of a non-negotiable fact that we continue to have a system where private Capital can

3:26:46

come in and take risks and enable home ownership for those that don't have larg down payments those that might bear you

3:26:53

know pose additional credit risk to the system Mark I know you've spoken quite a

3:26:58

bit about how Fanny May and Freddy Mack might be affected under a new Administration can you talk to us a bit

3:27:04

about that and how we can ensure a smooth transition if there is a change sure and and let me preface is obviously

3:27:10

many know I ran fhfa a few know that I actually was the primary drafter of the statute that created FFA you know I'll

3:27:17

say as in the side when people ask me you know knowing knowing what you now doing when you ran the agency what would you have done differently in the statute

3:27:23

and my first respons is I would have set the pay a lot higher but uh we can't all go over to the public

3:27:29

accounting oversight board um but all that said you know a I say this because

3:27:35

as the author of much of the statute I believe that there is a very clear legislative mandate to get them out of

3:27:40

conservatorship and I believe that mandate is on this Administration as well um and certainly a frustration of

3:27:47

mine and I was I'll be just as quick to criticize Republican Regulators who pick and choose what parts of the statute

3:27:53

they want to follow my philosophy was um everything in the law we will do whether

3:27:58

I like it or not because Congress are democratically elected representatives make those decisions not me um and so

3:28:07

I'm disappointed that there's been no progress toward uh exiting Fanny and Freddy from conservatorship now if we

3:28:13

want Congress to wants to create a different structure fine plenty of time to do that they can do that um I do

3:28:19

think that if you go back and you look and I talk about this in my book you read it um just as in the summer of 2008

3:28:28

uh you know leading up to the conservative ship you saw mortgage spreads blow out because of uncertainty around Fanny and Freddy you saw the

3:28:35

exact same thing in March 2020 we had a run from agency debt in February March

3:28:41

2020 and so when you need Fanny and Freddy I think part of the problem is people kind of have this different

3:28:47

tension and different views of what they're there for to me the statute the charter the laws are extremely clear

3:28:54

Fanny and Freddy are supposed to play the role of a counter cyclical floor under the mortgage Market there is

3:28:59

nothing in their Charters that says increase home ownership rate that's a myth that's a madeup BS have them follow

3:29:07

the law and when they can get out of conservator ship you can actually depoliticize so to me and I I strongly

3:29:14

disagree with my conservative unitary executive friends I think the Collins case was wrong Congress wanted an

3:29:19

independent fhfa just like you have an independent Fed so that you resist this

3:29:24

temptation to Jin up the mortgage and housing market going into election I was a gas quite frankly as former fhfa had

3:29:31

to hear it mentioned in the State of the Union that's the last thing Congress wanted Congress wanted this agency out of politics and I would prefer that

3:29:39

congress come back and created it as independent agency whether you need to do as a board or otherwise but I think

3:29:44

in the interim the closest thing we can do to get these companies away from just being Pawns of politics to get them out

3:29:51

of conservatorship build Capital I'll just end with saying Fanny and Freddy

3:29:56

today you're leverag 70 to one which is twice as leverag as be stern was in the

3:30:01

quarter before it failed these are not safe and sound companies this is not a safe and sound mortgage Finance system

3:30:07

and we owe it to the American citizens to fix it um Sarah I'd like to talk a bit more

3:30:13

about how Congress could change after the election we could be in for a pretty significant shakeup and I'm wondering

3:30:19

what we can expect from new leadership in the Senate Banking Committee the house Financial Services committee other

3:30:25

parts of Congress that deal with housing policy yeah absolutely this is set to be a pretty consequential I mean every

3:30:31

election is very consequential but there there are a lot of things that could change so um right now I was just

3:30:38

talking with someone this morning about kind of placing bets on on the different chambers but if let's say congress were

3:30:44

to flip and had a Republican Senate and a democratic house but it really could go either way um you would see a change

3:30:52

in Senate leadership so if Dems won Schumer would stay in place if Republicans win it's a big question of

3:30:58

who will replace McConnell and that will set the tone and you know those conversations determine if a tax package

3:31:03

will be taken up so it's it's very consequential on the house side um we know that a democratic house would have

3:31:10

speaker Jeff whereas the Republican house it's who knows um that will be fun

3:31:16

to watch um in terms of the key committees on banking it's a really

3:31:21

important um I think outcome currently banking is chaired by um chair Brown

3:31:27

who's in for a very very tight race and if Dem still control the Senate but he is unable to win his race um it would go

3:31:35

to um Senator tester who's also in a tight race and if Senator tester is unable to secure that then we go to

3:31:42

Senator Warner who's also um eligible to chair another committee and if he chose

3:31:48

the other committee it would go to Senator Warren and so those are you know

3:31:53

a series of very moderate bipartisan senators and then Senator Warren has you know much stronger Progressive views um

3:32:01

so that would fundamentally change I think what the Banking Committee would take up and on the Republican side

3:32:06

Senator Scott is the ranking member if the administration were to go to president Trump it's all but guaranteed

3:32:13

he would he's being considered for vice president he could certainly land a seat in the cabinet and then it goes to

3:32:19

Senator rounds who's also very moderate bipartisan Senator so I think Senate banking there could be a big shakeup but

3:32:25

I think that committee will remain pretty moderate bipartisan a lot of focus on Rural and tribal housing needs

3:32:32

which weaves like a a really good through line um whereas on house Financial Services um chairwoman Waters

3:32:39

would rain again um and then uh currently McKenry set to retire so that's also up for grabs and then on the

3:32:46

tax committees um they're a little bit more solid with their leadership but I think what's notable is there will be

3:32:52

four to six Democrats potentially leaving Senate Finance four three are

3:32:57

retiring one is uh in New Jersey is unlikely to resume their seat and then

3:33:03

two are in tight races and so what that would mean for a really you know um kind

3:33:08

of established committee um with a lot of power is a need for Advocates to deeply educate and engage members who

3:33:16

are newly on the finance committee who have this whole breath of tax policy in front of them now and may not know the

3:33:22

low-income housing tax credit in and out so a lot a lot at stake I and just to add and I don't disagree with with what

3:33:29

Sarah's assessment was there of kind of how the the kind of which players may move around where but the other thing to

3:33:35

keep in mind is you know the Senate with the 60 vote threshold on kind of most legislative items uh in the house as a

3:33:42

majoritarian institution um but one that's very narrowly divided today uh

3:33:48

may have difficulty legislating depending on kind of what those breakdowns are but when you have at

3:33:53

least one of those chambers controlled by a party opposite to the executive branch it provides like a a form to

3:34:00

conduct oversight and I think that that's something that kind of doesn't require you know cobbling together a

3:34:06

coalition of 218 votes kind of on a regular basis on the house floor to accomplish but it can influence policy

3:34:13

um in a pretty dramatic way and I think that's that's an important development to kind of keep your eye on as the

3:34:18

election unfolds yeah I would just to like further pick that apart for nonh

3:34:25

Hill um folks in the audience I think generally it's viewed that a democratic

3:34:30

Le Senate and a h Republican Le house are more likely to get some legislation through than the opposite and I think

3:34:37

that's what we're seeing right now and I think if you see a sweep on either side you can expect a Reconciliation bill by

3:34:43

Spring and so that would be you know a big deal either way the cookie crumbles

3:34:48

Sarah you mentioned tax policy and we've been hearing a lot about how next year could be the Super Bowl of tax um

3:34:54

clearly what happens in November could play a huge role in determining potential tax legislation can you talk

3:35:01

about what that would mean for housing lay this out for us are there any housing related Provisions that should

3:35:06

be part of this conversation yeah absolutely I think the two most obvious are the affordable housing credit

3:35:11

Improvement act which is the Big Bill to expand and strengthen the low-income housing tax credit it's been part of

3:35:18

virtually every kind of tax negotiation and proposal um and and has seen key

3:35:23

Provisions move across the Finish Line it is incredibly bipartisan um and I think if there when

3:35:30

there is a tax package I think it will be on the table kind of wound up in all

3:35:35

the negotiations with the child tax credit and the R&D tax credit um there's also the neighborhood homes investment

3:35:41

act which is I like to think of as kind of the companion to the income housing tax credit it's a new tax credit to um

3:35:50

build and Rehab uh family housing so this is getting at um home ownership

3:35:56

gaps we're seeing a shortage of starter homes and we're seeing in many communities Urban Rural and Suburban um

3:36:02

distressed housing that really needs rehab for again owner occupancy is the focus um so I think both and that also

3:36:10

is bipartisan and by the way um and so I think those are kind of the two most

3:36:15

obvious but my opinion is um because housing is the top voter issue is a top

3:36:21

voter issue and did not make it into some of these larger packages I think Americans deserve um if there is going

3:36:28

to be a comprehensive tax package a suite of of housing related Provisions

3:36:33

now because it's a tax package I think this will be interesting is will there be momentum around credits for renters

3:36:39

or credits for first time first generation homeowners or credits around starter homes um I think there's room to

3:36:46

get creative but the time is ticking because Ways and Means has already set up their tax teams and Senate Finance is

3:36:51

only a step behind them I'd say one other kind of Bill to add to that mix that's bipartisan and by the way would

3:36:58

restore the now expired mortgage insurance premium deduction that is targeted to moderate and low income

3:37:04

homeowners um and it applies to those kind of who achieve home ownership through private mortgage insurance but

3:37:10

also FHA VA and USDA that was around since 2007 uh Paul Ryan was kind of one

3:37:17

of one of the key legislators to get that over the Finish Line because he had the the thought that um wealthier

3:37:24

borrowers have larger amounts of Mortgage Debt and so we're capturing more of the mortgage interest deduction

3:37:29

but we're not kind of benefiting you know the the those with low down payments had an equivalent financing

3:37:35

cost but we're not benefiting from kind of that support in the tax code and so that's that's historically been in the

3:37:41

extenders package we haven't had one of those in a while and so we would look for for that legislation which is

3:37:47

supported by um Representatives Buchanan and Panetta in the house and um Senators

3:37:52

Tillis and Hickenlooper and the Senate to to kind of be part of any discussion on on housing tax

3:37:59

policy Laura I want to switch now to voters um you guys have done excuse me

3:38:04

polling that shows that three out of four Latino voters say their concerns about inflation are directly related to

3:38:10

their High housing costs um of course for many families that's their biggest expense has a big on their finances how

3:38:17

should candidates be thinking about this issue and what would you like them to do what would you like to see to make

3:38:23

housing more affordable for communities of color yeah so so I think you know if you're here this morning you know like

3:38:29

all Americans or most Americans are feeling the pinch right now in housing whether they're renters or or trying to

3:38:34

enter home ownership with high housing costs and and interest rates where they are when you look at the Latino

3:38:41

Community specifically you know in general Latinos tend to have lower median incomes than white household as

3:38:48

most markets um tend to have lower savings and wealth um and also tend to

3:38:54

be more concentrated both in lower paying job sectors as well as residing

3:39:00

in higher cost areas so you kind of feel that pinch of all-Americans but within the Latino Community it's it's sort of

3:39:07

like up another level and certainly in our polling we found when we ask let them know you know about you know what

3:39:12

are their top concerns um cost of Living and specifically the cost of housing is

3:39:17

a top concern for Latino voters right now um 76% of Latino voters say that

3:39:24

housing costs have been a key stressor in their life sometime in the past year and you know Latinos are the second

3:39:32

largest voting population of voting age Americans and what they're thinking about top of Mind are is cost of living

3:39:40

and housing expenses and it's um to they really focused on so I think when thinking about um you know candidates

3:39:47

and policymakers want to be focused on I think we need to be looking at both both the supply and the demand issues I I

3:39:54

feel sometimes like right now there's a big focus on Supply I mean certainly today that's the focus of our conversation but we can't forget the

3:40:00

demand side as well and so we need proposals that address an increase in the the related issues of supply and

3:40:08

affordability um and I think also we're looking L know voters are looking for policy makers who um are going to put

3:40:16

forward solutions that they're going to feel like in the relative near term not

3:40:21

just these proposals that 10 years from now we'll kind of see the benefit froms so what can be done in the near term i c

3:40:28

certainly would advise candidates to focus on you know what's going on in Battleground States places like Arizona

3:40:34

and Nevada um and you know I think looking at Latino voters you know

3:40:42

specifically in our polling what we find is the LA of Voters tend to reject the

3:40:47

extremes of either end they're looking for candidates who are willing to work

3:40:52

together and willing to put forward solutions that are actionable and the

3:40:57

relative near term and I think specifically around affordability of housing um in a lot of these key States

3:41:04

it's going to be really key for for candidates to be successful with Latina voters you know one of the thing that I

3:41:10

have to say kind of depresses me when I look at some of these polling is you'll see questions you know do you think

3:41:16

housing is unaffordable and people of course will say yes and then you have a follow-up question do you think building

3:41:22

a lot more housing would make it more affordable and people say no and there is this disconnect and and you know I

3:41:29

understand why on one hand politicians are going to say things like down payment assistance it pulls really well

3:41:36

but it also just you know I I to me when I'm feeling slightly less generous I

3:41:41

simply say you know if you're going to have a housing policy where two families are vigorously competing over a home and

3:41:46

what you're thinking is you're giving both of those families down payment assistance they're bidding more and or

3:41:52

you know adding a third family only bids it up and still only one family is going to get that home and the solution has to

3:41:57

be to add a second family so a I think we need to do a much better job educating the public that if you're not

3:42:04

fixing the supply side of this you're only running prices up and I am really deeply concerned I mean we had an

3:42:10

earlier panel on some climate issues we've seen increases in homeowners insurance in a number of States and one

3:42:16

of the things that I think we are missing that that really concerns me is we have seen this explosion in high DTI

3:42:22

debt income lending the fact that FHA you can do 57 DTI a day is utterly

3:42:28

irresponsible in my view and then you put on that somebody seen a doubling or tripling in their homeowners insurance

3:42:35

you're you're putting this family in an unsustainable situation in my view and I worry that many of the demand side

3:42:41

proposals are putting these families at risk we we should not be putting drowning families in debt and that's

3:42:48

what my worries and we're not creating new housing with it again um the the proof is in the pudding we tightened the

3:42:55

credit box during my time and Home Ownership went up this Administration has loosened the credit box and home

3:43:00

ownership's Flatline so I really do think we are not doing families favors by getting them in loans that are not

3:43:09

sustainable you if I could maybe just on on the supply piece because I you know

3:43:15

some of the push back that that you you mentioned Mark and you know earlier one of the panels it was a conversation around you know

3:43:20

nimbyism and you know I I and again in some of the work we've done some of the polling we've done and specifically some

3:43:27

of the work we've done in California especially in some Latino markets and communities um you know we need to be

3:43:34

really you know strategic and careful about our messaging and the words we use

3:43:39

and US vers them and something we have found really successful in putting forward proposal

3:43:45

whether it's around increasing density um you know building smaller homes and all that is making this this is about

3:43:52

family and so in California such a great example because you have families you

3:43:57

know in the Bay Area you know the kids go off they go to college they do all the right things they get a degree they

3:44:02

get their first job they get married they want to buy that first home and guess what they can't afford to live in the Bay Area they're moving to the

3:44:08

Central Valley or if they're in San Diego they're moving to the Inland Empire and that's causing fractions

3:44:14

Within families and so we've been talking about messaging where hey don't you want your son or daughter when

3:44:20

they're done with school when they start a family to be able to stay in the community where they grow up because in most cases that's what people want to do

3:44:26

they want to stay in your family they want to have that support network and so we talk about building housing

3:44:31

increasing density improving affordability all of those things it's about keeping families and communities

3:44:37

together and that messaging has really resonated in places like California and in Hispanic

3:44:43

communities Seth there there's been a lot of interest in how the elections outcome could affect financial and

3:44:48

banking regulation uh particularly related to Capital requirements for banks tell us what that might look like

3:44:55

so look I think that one of the kind of hottest topics in DC this year has been

3:45:00

kind of the credential banking Regulators bosel 3 endgame proposal and if you're looking for an example of kind

3:45:06

of bipartisan collaboration and kind of uh collaboration among industry organizations housing Advocates civil

3:45:13

rights groups right look no further than the Coalition that has kind of uh specifically focused on the shortcomings

3:45:20

of the housing Provisions in the in the proposal that was put out there I think that that a couple things I would say is

3:45:26

what the how the election could impact it first as we get you know further into the calendar the legislative calendar

3:45:33

Things become um you know within the target window of the Congressional review act at housing conferences I

3:45:39

always have to say it's the other CRA that's out there um and this allows the Congress to it's a mechanism that allows

3:45:46

the Congress to disapprove rules and also uh prevent you know future Ru

3:45:51

making of similar substance and so there's kind of a whole separate discussion on whether kind of how that

3:45:57

might impact kind of a bank Capital requirement but just to say that that as we get closer to the election uh you

3:46:04

know rules finalized with with kind of later part of the year um depending on how long Congress is in session could be

3:46:11

overturned by kind of a future Republican Congress and uh Republican president now going I I think kind of

3:46:19

prior to 2017 the Congressional review act had successfully been deployed once it was against the Department of Labor

3:46:26

ergonomics rule I believe if you Mark was probably I think you were you were on the hill at that point probably I

3:46:32

might have been involved in the 13 or so we did in 2016 but that was before me but uh but but to the point like it was

3:46:38

you know there was a you know from 2001 until 2017 it kind of had not been successfully

3:46:45

um utilized and then it was you know more than a dozen times it was used in 2017 I would expect a similar effort

3:46:52

this time and then the other part of it too is you could also see um you know

3:46:58

changes in Personnel at the the credential banking Regulators that could lead to kind of withdrawal and repr

3:47:03

proposal it could you know lead to kind of the rule just being being withdrawn

3:47:09

and not Repros right there's a whole lot of different permutations here but clearly this is one thing where I think

3:47:15

there's going to be continued sustained bipartisan um collaboration to to

3:47:21

address the housing Provisions which we think you know which a lot of us in the room frankly think would

3:47:27

disproportionately impact um you know those without large down payments and

3:47:32

those with without a lot of kind of General generational wealth trying to achieve home ownership from the Commercial Banking sector you one of the

3:47:39

interesting things to me was you know obviously the Obama Administration came in in the great financial crisis we had

3:47:44

DOD Frank there was all this focus on financial reform and I say this you know I I overlap six months with the

3:47:50

administration participated in two fsof meetings with with cherry Ellen one of the fascinating things to me is the lack

3:47:56

of interest in financial regulation I mean we can argue some tweaks here and there I mean Bosa one game is kind of it

3:48:03

that anybody talks about but fundamentally Financial regulation in six months is going to look like it look

3:48:08

like six years ago there's almost no real change which I I find fascinating in a way it's a guy who follows Finn r

3:48:14

pretty regularly fantastic well I'd like to open it up to audience questions so if

3:48:20

you have a question that you have not submitted yet you can do so via the QR code in your program um or you can use

3:48:26

the link in the YouTube chat all right so our first question

3:48:33

from the audience the housing stock in America's cities is aging Beyond feasible use and the Foreclosure crisis

3:48:39

has left many vacant Lots in its wake it seems like there's not a strong focus on this an opportunity despite a lot

3:48:46

despite there being lots available for little or no cost um do you guys have any thoughts on infill strategies and

3:48:52

incentives here yeah I'll I'll start by um with you need those we have a

3:48:58

national network of about 300 Affiliates these are community- based independent um Community Development corporations

3:49:04

and community- based organizations and many of them build affordable housing and I think there's a lot of really

3:49:11

interesting work going on in specific markets and cities um um there's one of our Affiliates in the Chicago area that

3:49:18

is part of a coalition with other nonprofits and has a partnership with the city to be able to buy these vacant

3:49:26

Lots you know for little or no money um with the purpose of converting for affordable home ownership and a lot of

3:49:33

these Lots I mean some of them are really small they're narrow I mean you're talking about neighborhoods like pilson back of the yard um and they've

3:49:40

used modular construction so they have a partnership with a modular Builder they can you know build exactly to that spec

3:49:46

and it gets built off site and then gets brought in and you know initially there was some some push back from local

3:49:53

residents because they were like what is this you know this house being dropped in um but they did a lot of work with

3:49:58

the community to really build interest there and I think this is a really great example and I'll note that from what

3:50:03

I've learned you know the affordability difference isn't that great from your

3:50:09

your your standard kind of sight build construction but the the time frame is much faster you can get a house in one

3:50:16

of these Lots much much faster and I do think the affordability will improve with time but I think that's one example

3:50:21

of a neighborh so I think if you look across the country different communities are doing really innovative things like that to be able but you need to have the

3:50:28

support from local government that allows you know kind of the setbacks whatever other kind of you know land use

3:50:33

or zoning requirements might be in place that would prohibit today building in that lot we need to have that

3:50:38

flexibility I want to really really reinforce that point and and also add I mean many of these communities it's is

3:50:44

fascinating you have so many communities where there's no housing and there's No Vacancy and then you have a handful um

3:50:49

where the ones where there is vacant land and there's not much construction going on you don't have an as many home builders you don't have people competing

3:50:56

for that you don't have as much construction labor and of course we haven't even touched on part of the constraint building overall uh today is

3:51:03

the lack of skilled construction labor in many places and so again part of the benefit of a prefab is you yourn is

3:51:09

dependent on that supply of skilled labor and that to me is a big constraint r that we should have to address as a

3:51:16

country is you how do we get your typical 18 19 year old comfortable with

3:51:21

becoming a Plummer or a carpenter or an electrician yeah I I think that really underscores the importance of state and

3:51:28

local government in the housing Supply Solutions every locality needs a strong

3:51:34

Federal partner but some of these issues are best done at the local level like land use and Zoning tax abatement um

3:51:41

building code streamlining permitting I think we were just there was a an urban report about this um and but those

3:51:47

cities to be able to have that strategy in place to buy up vacant lots to think creatively about what types of housing

3:51:54

could go in there and to work with the community on the needs of that particular community that also requires

3:51:59

strong Partners in philanthropy and the private sector so again um everyone needs to be able to work together

3:52:06

perfect next question it's increasingly acknowledged across the country that zoning plays a major role in inhibiting

3:52:13

Supply what is the likelihood that either newly elected Administration would remove carrots or create sticks to

3:52:20

address local zoning issues oh goad go first good person no I was just gonna say like you know going

3:52:27

all the way back to like Jack Kemp you know at HUD and creating the regulatory barriers clearing house and then in the

3:52:33

uh in the Trump Administration there was a White House Council on eliminating regulatory barriers to affordable

3:52:39

housing and kind of focused on kind of what are the what are the challenges from a regulatory perspective at all

3:52:45

levels of government right and kind of how can we as a federal government without kind of direct intervention kind

3:52:52

of and mandates on um local policy makers but how can we encourage um and

3:52:58

and help with best practices right and so I think that that that's one of the things that that I know that you guys

3:53:04

can you know continued focusing on that and so I think that that is that is somewhat of a a Common Thread that has

3:53:11

tied together kind of um many years of housing policy now yes I agree we can

3:53:17

agree on this um cud released their Pro housing which is a new grant program

3:53:22

creating awards for localities that have been really proactive in addressing barriers to housing such as zoning

3:53:28

reform and again I think this is something that we are thankfully seeing bipartisan agreement on because it

3:53:34

really just adds so much time to the development process and developers you know talk about it it's harder to build

3:53:39

in in neighborhoods where you're facing local opposition or zoning restrictions

3:53:46

um and so we need to open those markets up all right question number three lgbtq

3:53:53

plus individuals and particularly lgbtq folks of color face double the rates of

3:53:58

Lifetime homelessness compared to the national population how can stakeholders

3:54:03

government Advocates improve housing for populations that are disproportionately affected by housing Supply concerns

3:54:10

especially in the face of a potential Administration change

3:54:16

a lot of work has been done under this Administration and there are experts in this audience who know much more about

3:54:22

this than I do from their time at HUD really focused on this but I know a lot was done around youth homelessness and I

3:54:28

know that that is also it does not need to be a bipartisan issue for instance I know that there was a lot of um interest

3:54:33

in addressing youth homelessness in West Virginia um and a disproportionate amount of homeless youth experiencing

3:54:40

homelessness are lgbtq plus and I think face higher rates of you know um abuse

3:54:46

and danger in shelters and so I think continuing to do education and advocacy

3:54:51

and knowing that um you know when we're talking about homelessness it's not always mental illness and substance

3:54:59

abuse it's veterans it's young adults it's people just at the start you know of their life who need to be able to

3:55:05

have a place to call home to be able to have an address to get a paycheck to take a shower and go to work and show up

3:55:11

every day and be successful so again I think think this work is so important I know HUD has done a lot along with um

3:55:18

the broader inter agency homelessness efforts with HHS and and the White House and yeah I absolutely hope that if we

3:55:25

did face a Administration change that um you know I think the private sector and philanthropic SE sector would have to

3:55:31

really step up to ensure that these initiatives and efforts you know don't um fall to the Wayside and and face

3:55:38

major federal Cuts we're going to have to step up in their place the one thing I would add is I agree with what Sarah

3:55:45

just said and I think this question just really underscores the importance of our fair housing laws and making sure that

3:55:51

we're enforcing our fair housing laws since there seems to be a partisan undertone to the question maybe I can

3:55:57

directly address that uh let's not forget that the hardest housing Supply

3:56:02

concern issues are in predominantly blue areas and I was on a panel several years

3:56:07

ago with Eddie Glazer from Harvard and one of the questions of the panel was what country in the world does housing

3:56:13

right and that immediately answered Texas which I'm sure in their own mind

3:56:18

of Texans it is its own country but the point being it is a policy decision for

3:56:24

California to be unaffordable and it's a decision made by politicians in California it's a policy decision for

3:56:31

Texas to be affordable and so I would push back on I think is the partisan

3:56:37

undertone that somehow this is going to change in administration it's going to be no one's going to be able to afford housing anymore when that was not the

3:56:43

way I remembered it four years ago uh and part I also want to wrap up because

3:56:48

I think is a uh I want to defend my my good friend Ben Carson for a little bit

3:56:53

because I feel like there's been a little bit undertone of criticism uh part of the concern about ways that some

3:56:59

of the laws were enforced were that they were arbitrary we saw a tremendous amount of effort in the Obama

3:57:05

Administration to micromanage Westchester New York while completely ignoring Chicago one of the most

3:57:10

segregated cities in America and so you have to have a syst system here where the laws are enforced in a neutral

3:57:17

nonpartisan Manner and many of us do not believe that's been the

3:57:23

case all right um next question on the

3:57:28

tax legislation that you all agree is bipartisan by camel what is the chance

3:57:34

of getting things passed and signed by the president either before or after the

3:57:39

election look I I you know as a longtime former house staffer I can appreciate

3:57:44

that the house came together and passed this with a significant bipartisan majority I I mean I think that there's

3:57:49

still a significant challenge in the Senate and and I haven't kind of you all might have a different view but I

3:57:55

haven't seen kind of the facts on the ground change between kind of when that was passed and kind of today and so um

3:58:03

you know I think a lot of people are looking frankly to to 2025 as kind of the the main event when it comes to

3:58:09

housing tax policy yeah I give it a zero and and and defend my good friend Mike

3:58:14

Copo you can't come to the ranking member after a deal has been cut and say take it or leave it there's no reason he

3:58:20

should vote for something when he was not given a seat at the table I I think that both sides are

3:58:27

equally disincentivized Fair fa um I think you know everyone will still see

3:58:32

if something at the end of year could happen but I agree the chances of it are incredibly unlikely which is why you're

3:58:39

seeing both tax committees starting to formulate how they're going to approach the 2025 um tax Super

3:58:47

Bowl fantastic well uh let's see one last question we'll squeeze list in for

3:58:52

Mark will Fanny or Freddy ever have enough Capital to be

3:58:58

privatized per your Capital standards sure they're not my Capital standards they were they were ProMag through a

3:59:04

notice and comment rule making per the directive of Congress this will I was simply carrying out um that said there

3:59:11

certainly is an ability to um you know I think you could probably by 27 2027 have

3:59:18

enough Capital retained at these companies uh and perhaps do an urnal brace so we certainly thought there was

3:59:24

a path to an exit uh and more importantly having Capital standards in place so that these companies do not

3:59:30

fail again and simply come back into conservatorship well this has been a

3:59:35

really great conversation thank you to all four of you and thank you to the

3:59:41

audience thanks sir that was fun was you didn't even say your book title we

3:59:46

have a five minute break and then we'll have HUD deputy secretary and bpc board member Pamela Hugh patent nod please

3:59:53

come back and join us

4:00:03

[Music]

4:00:43

he [Music]

4:01:12

hey ah [Music]

4:01:57

[Music]

4:02:22

[Music]

4:02:31

[Applause] [Music]

4:03:01

[Music]

4:03:13

[Music]

4:03:29

[Music]

4:03:37

[Music]

4:04:05

[Music]

4:04:21

if everyone could please find your seats our program will begin in a

4:04:27

minute my name is Ron to williger my father named me Jackson

4:04:34

Ronald after his boss I think he was a brown noser my father was a working

4:04:41

class guy who came to was was DC at the end of the Great Depression to find a job and he found a

4:04:48

job and he found my mother our parents loved us my mother just doed on us you know her whole life was about her boys

4:04:56

and my dad at night he would work a second job he never made a total of 10 grand a year in his life I mean times

4:05:03

were different back then my parents bought a house in 1941 for

4:05:09

\$5,000 and it was a tracked house like everybody in the neighborhood none of us

4:05:15

had ever seen a golf course or tennis court or swimming pool we didn't have access to any of that but it didn't

4:05:22

matter it was just such a simple confident life we didn't feel

4:05:28

threatened by anything we were able to go to good public schools have a lot of neighborhood friends and had two

4:05:35

supporting loving parents that got me to college I was captain of the Navy's

4:05:42

basketball team at an academic all America my last year when I was at the naval Supply Center in NOK I applied for

4:05:47

the Harvard Stanford MBA program Harvard admitted me and I went on my own I took

4:05:52

one course at Harvard on real estate that made me think that's what I want to

4:05:57

do with my career and it just clicked that it made sense to me to figure out we need to

4:06:04

find a way to build more affordable rental housing at the same time I think it's a disgrace that the richest country

4:06:10

in the world has a housing crisis so few people including Congress understand how

4:06:16

desperate so many Americans are can everyone please find your seat that

4:06:21

don't have enough income to afford rental housing much less transition to home ownership and you know we have so

4:06:28

many low income families that are forced into neighborhoods where the schools are poor they don't have access to health

4:06:35

care or transportation to get to jobs how can a family grow and prosper if

4:06:41

they don't have a home that they can afford it's foundational for for family

4:06:47

growth the 1949 Housing Act this country said it was an aspirational goal for every American Family to have a decent

4:06:53

home and a suitable living environment but we're so far from that goal bpc is the right organization

4:07:01

addressing a nonpartisan issue the bipartisan approach to solving it is

4:07:06

what needs to happen you know I came as I have said

4:07:12

from a very very modest beginning I had no expectations and when I became

4:07:19

55 I was Wealthy by anybody's standards and I thought to myself what is my

4:07:25

responsibility with this wealth I concluded that I would take my

4:07:34

wealth and try to make the world a better place from a housing standpoint when I gave keys to a family

4:07:42

that took ownership to a house it was such a life-changing event for that family that I never forgot it I continue

4:07:49

to want to try to make it a priority in this country and and across the

4:08:00

world can everyone please be

4:08:07

seated thank you well I want to welcome back uh

4:08:15

everyone uh at the tuer center we truly believe that housing is a

4:08:20

nonpartisan bipartisan issue despite that last panel um so uh we decided it was

4:08:29

important to recognize those members of Congress who have exercised demonstrable

4:08:34

leadership in Reaching Across the political AIS and advancing initiatives

4:08:40

to improve housing affordability as many of you know Congress has a tradition of bipartisan

4:08:46

collaboration on housing in 1949 members of both political parties came together to pass

4:08:53

the Housing Act setting forth a clear National objective to provide quote a

4:08:59

decent home and a suitable living environment for every American Family

4:09:05

unquote the recipients of the twilliger bipartisanship in housing award are

4:09:11

taking the lead in making that powerful aspiration a reality I am proud to announce that this

4:09:17

year's award recipients from the United States Senate are Jerry Moran of Kansas

4:09:23

Tina Smith of Minnesota Chris Van Holland of Maryland and Todd young of

4:09:29

Indiana our awardees from the US House of Representatives are Emanuel cleever II of Missouri Suzanne Delan of

4:09:37

Washington Brian Fitzpatrick of Pennsylvania and Mike Kelly also from p

4:09:43

sylvania congratulations to all our awardees and thank you for your

4:09:55

efforts we have the uh distinct pleasure of presenting Awards in person to two

4:10:00

members of Congress Representatives Emanuel cleever and Mike Kelly you can

4:10:05

find their full biogra biographies in our summer program but I'd like to take a moment to highlight a few key details

4:10:13

that exemplify why each is receiving an award today representative cleever is the lead

4:10:20

house sponsor of the bipartisan choice and affordable housing act which would expand and improve Hud's housing Choice

4:10:27

voucher program by encouraging more landlords to participate in the program

4:10:32

he understands that vouchers provide a critical housing Lifeline for hundreds of thousands of low-income families and

4:10:40

he wants to ensure that the program is living up up to its full potential representative cleever is also

4:10:46

a lead House co-sponsor of the bipartisan rural housing service reform act which would help ensure that rural

4:10:54

families including native communities have access to affordable quality homes representative Kelly is the lead

4:11:02

house sponsor of the bipartisan neighborhood homes investment act which would moob mobilize private investment

4:11:09

through a new federal tax credit to build and rehabilitate starter homes for sale it is estimated that this

4:11:15

legislation if enacted would help support some 500,000 new affordable

4:11:21

homes over the next 10 years in this way representative Kelly's legislation would

4:11:26

make a major contribution to closing the affordable housing shortfall both members with along with

4:11:34

our other awardees have demonstrated a strong commitment to Reaching Across the aisle to ensure an adequate Federal

4:11:41

response to the housing affordability crisis and we are grateful to their

4:11:53

leadership at this time I would like to welcome Ron twilliger and Henry ssys

4:11:58
onto the stage to present uh the award and we're going to just do a photo

4:12:03
up and let Let's uh also like to invite representatives cever and Kelly and bpc

4:12:10
board member Pam patau to join me for the awards

4:12:17
presentation you want why don't you come

4:12:32
close let give a round of applause [Applause]

4:13:08
that good afternoon I'm Pam patod I'm a member of the bipartisan policy policy Center board of directors and also a

4:13:15
proud member of The bpc twiig Advisory Board I'd like to recognize the chairman

4:13:20
of the board of the bipartisan policy Center Henry ceros who you heard from earlier [Applause]

4:13:26
today and my dear friend Ron to williger we were just talking about how it's been 17 years since we first met um Ron

4:13:34
recruited me I was at Hut at the time when I received a call from Ron to join him at the Urban Land Institute um and

4:13:42
that's where we created the first to williger Center so Ron thank you for your continued commitment his commitment

4:13:48
to solving the affordable housing crisis has just grown stronger every day so thank you for all you do every day thank

4:13:55
[Applause] you and uh we were having a really good time in the Green Room congressman

4:14:01
cleever and Congressman Kelly so enjoyed getting to know you behind the scenes and I'm delighted to have this

4:14:06
conversation with two great champions of affordable housing so Congressman cever

4:14:12
would love to start with you um you've served two decades now in Congress

4:14:17
representing your District um can you talk a little bit about what is happening in Kansas City Missouri and

4:14:24
your surrounding communities in terms of affordable housing well I think it it first of all thank you very much um this

4:14:32
is quite an honor to to to deal with housing and if you know my background you'd understand why it's so significant

4:14:38
to me but uh I I think right now what what's true in Kansas city is pretty

4:14:45
much true all across the country uh maybe some of the largest cities as my youngest son used to say it is

4:14:51
worse uh uh but we are uh uh right now in in a crisis I I don't think there's

4:14:59
any anybody who uh seriously looks at housing who does not uh agree that that

4:15:04
this moment uh is is a very very difficult moment as it relates to uh

4:15:12
home ownership and that that problem is not just an

4:15:17
urban problem although we we we pretty much automatically go there as we are

4:15:24
are thinking uh and and and we leave out uh vital uh components of the need uh I

4:15:33
mean nobody in here has heard of probably very few people have heard of malti bin uh Missouri or Sweet Springs

4:15:42
uh Missouri or Cuba Missouri um but I mean you've heard the

4:15:49
r Arrowhead uh the stadium but not Arrow Rock the town uh in in Missouri and I I

4:15:58
think it's critically important uh that uh rural areas comprise over 90% of the

4:16:05
land mass of the United States and uh and then what we do we

4:16:11
make we make we make make some points of intentionality we say the United States

4:16:16
Department of Housing and Urban Development and and I've celebrate uh

4:16:22
Urban America and and what we're doing especially when I was mayor and then have a mayor uh M SOS um at HUD uh but

4:16:32

but if you live in uh in Sugar Creek Missouri Missouri uh that doesn't speak

4:16:39

to you uh if you you're you're going to have some uh serious serious uh problems and most

4:16:48

of those people living in in uh in these rural areas are are really struggling I

4:16:54

have little towns in my commit in my uh congressional district where they've not built a house in 25 or 30 years a new

4:17:00

house 25 or 30 years uh and uh and and

4:17:06

the problem is exacerbated by the fact that there's a great deal I was born in walk Texas but so just make sure uh you

4:17:15

understand where I'm coming from uh people in in rural communities don't like to be seen as poor and and and and

4:17:23

uh there's a level of Pride that um that actually works against them in the long

4:17:29

run so they don't they there's some resentment uh about being uh connected

4:17:36

so uh I used to think people would be upset if they lived in a rural area to hear that there's the United States

4:17:41

Department of urban Urban Development but you know that's not us uh you know

4:17:48

take that somewhere else uh and I had some experiences uh just like that uh

4:17:54

and so uh where we are now as most most people can't afford a

4:18:00

home you just I mean you can't afford a home and I I no there some young people out in here and this is I hate to give

4:18:07

you this bad news uh you know don't be it's not me I want you to have one

4:18:13

uh but but the truth of the matter is the cting cost is rising even as we sit

4:18:20

and and it's and it's not getting any better uh because I think we all uh in

4:18:25

in the federal government where we can make it better are are are are resistant uh to to doing so because in

4:18:33

part there's a segment of the US population that doesn't want to be connected with the with another section

4:18:39

of the American population and so both sections end up getting hurt housing uh

4:18:45

prices uh are going to going up and and then post the post uh you know moments

4:18:53

uh after the uh great pandemic uh it's has made it even worse because we still

4:19:01

are having supply chain problems this far out uh and uh my hope is that this

4:19:08

is the you know that that maybe I'm here among the intelligen of Housing and uh

4:19:14

so when we finish when my colleague and I finish everybody's going to have a solution to this issue and we can uh you

4:19:21

know wrap this baby up thank you Congressman clevel Congressman Kelly you represent a rural

4:19:27

part of Pennsylvania as well can you talk about what's happening in the neighborhoods in your District yeah of

4:19:33

course I I think all of us uh when it comes to having your own home uh in the

4:19:39

movie ET what is ET trying to do he's trying to get home and at the very end he goes home home

4:19:45

and I think that one of the things lacking right now uh whether you're in Erie Pennsylvania or down in Butler

4:19:51

Pennsylvania or in Newcastle or Elwood City medville no matter where you go we have this huge population that wants to

4:19:57

go home but there's no home to go to I think that there's a lot of ways I'm a

4:20:03

I'm a I'm not a professional politician I'm actually a an automobile dealer and I think there's uh there's a lot of

4:20:10

comparisons you can draw and what it comes down to is do you have a product that's affordable for the person who's looking for something whether it's

4:20:17

Transportation private transportation or their home and I think that uh as Carson

4:20:22

CL goes through the area that I represent the average annual income is \$54,000 for a family of four for a
4:20:30 family of four to go out home hunting right now to find a home it's almost impossible to find something they can
4:20:36 afford and I think that in in I know in our business when you have a product that doesn't move you usually put an
4:20:43 incentive on it so we have a product that doesn't exist because it's
4:20:49 too expensive so you have to put an incentive on it I think when you use a tax code for private money to flow into
4:20:57 public problems and to help solve them that is the key for for government right
4:21:02 it isn't the idea just keep raising taxes raising taxes raising taxes how about raising opportunity opportunity
4:21:08 opportunity where we can use private dollars to improve places that nobody's going to go into anymore because there's
4:21:14 no return on that so instead of using taxpayer money and putting in there and
4:21:20 saying well yeah but we didn't get really a very good return on that say how about if you incentivize private investors to take a
4:21:27 look at what if you can use the tax code to actually build on something we need and so I always thought that there's
4:21:33 home sweet home but more importantly anything else the destruction of the nuclear family in the last half of a
4:21:39 century to me has been the greatest cost to America when you cannot have a mom
4:21:45 and a dad raising their children out of the same home projecting the same values looking at what America really is to
4:21:52 people then we failed we failed hugely and while we spend a lot of money I
4:21:57 don't see much of a return on that I think what what uh the congressman's talk about what I'm talking about use
4:22:03 your retail ability to figure out what it is that you can do to make sure the people can have a home there's nothing
4:22:08 more important for a child growing up than to know that he or she has a home they can go into every night with their
4:22:15 family there's nothing M and when we destroy the nuclear family we destroy the whole core of this country that is a
4:22:21 tragedy that we have to look at right now and say it's time to stop that time to stop that I really appreciate what
4:22:27 everybody has done in this business to do that I mean what are you looking you're looking for people who want to have a home how do you
4:22:34 get there well you have to make it affordable what we try to do is do exactly that make it affordable so more
4:22:40 people can have a home I think the worst thing for child is to grow up not knowing that he or she has a home it's just a tragedy and you can't
4:22:47 overcome that with age it only gets worse Congressman can you touch on the neighborhood homes investment act how
4:22:52 that will work yeah well sure what we so what we did is we said look there neighborhoods uh and quite frankly in
4:22:58 Erie 16501 is the poorest zip code in America and for me when I go home and I
4:23:04 look at that I said there's no excuse for 16511 to be the poorest zip code in America there's no reason for that so
4:23:11 what do you do then you look at what is it that you can do to take an entity that needs to be taken care of and make
4:23:17 it something that people look at and say you know what I'll invest in that I will put money in that because there's a good
4:23:22 return on it not just for me but for the people who live there and again I told you you know I was in the autal build
4:23:29 business the biggest part of our business is not selling the new car it's selling the tradein that used car is usually
4:23:36 something that's more affordable for everybody to have personal Transportation what do you do you improve it you make it look as much
4:23:42 like brand new as you can and you guarantee
4:23:48 it so I'm talking about a retail answer to a problem that just makes sense it's
4:23:53 a business it's a business so let's make sure that we're incentivizing people to

do something they wouldn't normally do and for God's sake let's not take taxpayer dollars where we get the
4:23:59 poorest return on that investment put it in the private sector I guarantee you they will get more out of the dollars
4:24:05 they spend and make it more livable for the people in those neighborhoods if you can improve a neighborhood you can
4:24:10 improve a town a city State that's what we need people just have to have that
4:24:15 feeling that they can go home thank you congressman and Congressman clever can
4:24:22 you talk about the rural housing service reform act and how that will tackle barriers to affordable housing yes let
4:24:29 me let me preface by agreeing I I think
4:24:34 uh we will we will solve many of the urban problems including
4:24:40 housing uh if we solve the problems in Rural America uh because I think it's
4:24:47 important for for people to have to understand there's a connectivity yeah there's there's no no separation uh I
4:24:55 think it about one-third of all of the rental units in in Rural America are 55
4:25:02 years uh and older uh and if you take
4:25:07 the uh the free lunch program the school lunch program in Kansas
4:25:14 City Kansas City Missouri largest City in a state down in St Louis and then
4:25:19 compare that with um Lexington Missouri the per per capita the the
4:25:25 school lunch Pro program is is higher in the small the small rural communities
4:25:32 in Missouri I don't think that's unique to to America so uh my whole desire in
4:25:39 in dealing with housing is to let people uh help people to understand uh that um
4:25:47 that that they they need to work together because they have the same problems uh they're different but but in
4:25:53 at the same time uh there there are many components uh Blain lemau uh who is from
4:26:00 Missouri uh from uh the ozarks area um and I are are are friends uh and
4:26:09 so we find it easy to to to work with his Republican uh I am a Democrat we find it
4:26:16 easy to work together uh because we both of us are interested in what's going on
4:26:21 as it relates to housing so we we've introduced uh uh our housing uh service
4:26:27 reform act uh together uh and we are hoping uh that we can even get a vote
4:26:33 before uh we adjourn in in January and so we would we would fix the the
4:26:39 long-standing problems of USDA section uh 515 which some of you may have worked
4:26:46 with uh these are properties that were refinanced uh decades ago and we we we
4:26:52 make the cor the correction by making it easier for nonprofit
4:26:58 committees nonprofits committed to housing to acquire these properties and
4:27:04 then ensure that rental assistance is available even after mortgages mature
4:27:11 and then we we clearly need to update usda's outdated process of measuring
4:27:17 incomes uh bringing in line with Huds practice you buy a house in almost
4:27:23 anywhere in the rural area of Missouri you can have a balloon note when the banks I mean they the
4:27:29 bankers will tell you you got you got to do a balloon note me how we this is United States of America why would why
4:27:35 why would we do that to our people in in our home country uh and so uh the the

4:27:42
the legislation we have is not very complicated but but there's some additional Parts I've just hit on on a
4:27:48
couple of them but it's important and and you need to support it don't ask me any questions just support
4:27:55
it and Congressman you're also very interested in addressing the issues with the Housing Voucher Program which serves
4:28:02
more than 2.3 million families every year helps them to afford homes in the private rental market but there there
4:28:09
are obstacles and can you talk about how your legislation is going to help address some of the issues such as the
4:28:16
um inspection process the length of time it takes to help landlords uh be more
4:28:22
interested in renting yes we we uh we've got to deal with municipalities Mr
4:28:27
secretary uh because I think uh the way
4:28:33
uh we are uh dealing with issues of housing as in many ways is controlled in
4:28:40
City Hall and and so our legislation uh helps to modernize the
4:28:47
usda's foreclosure process uh we up update uh processes of measuring income
4:28:55
in rural areas uh and the bipartisan bill that we are creating will enable us
4:29:02
uh to uh modernize uh housing more so than we we
4:29:07
have ever done particularly as it relates to the rural components uh of the country and and we make some long
4:29:15
long overdue uh investments in in Information
4:29:20
Technology uh and if we we're able to do that it allow uh USDA uh to process loans more
4:29:27
efficiently uh which will ensure staff can spend more time reviewing applications and less time just fooling
4:29:34
around with paperwork thank you Congressman Congressman Kelly do you want to add to
4:29:41
what congressman cleverer said about the Housing Voucher Program and your experience with your constituents yeah
4:29:46
well I I think most of my life uh in fact I would not have run for a congress if uh if in 2009 the government was
4:29:54
taking away one of my franchises uh they had never been there never spent one second there never put one penny into it
4:29:59
but all of a sudden told me you're no longer going to be a Cadillac dealer and and at that time I was so glad my parents had already passed
because
4:30:06
that's not the world they grew up in so when it comes to what we're talking about today I think the main thing to remember is this is a
business and the
4:30:14
fiduciary respons responsibilities of a lot of the lenders make it harder for them to do that so how do you try to how
4:30:21
do you try to come up with something that takes some of that responsibility off them some of that weight off them to
4:30:26
go ahead and do the right thing because it's necessary to do it and I always looked at any time time we spend a penny
4:30:33
uh on anything uh you look at what happens eventually with it and we're talking about properties that most people would not want to buy
anymore
4:30:39
wouldn't want to live in and then we put heavy burdens on and what they have to do to do it um again just using a
4:30:45
business model once you get this product finished it becomes a revenue producer not a revenue
4:30:52
reducer and uh so I've always gone just back to what I've done my whole life make something available to those who
4:30:59
need it and there's different parts of the market so when you look at the older neighborhoods that I represent they need
4:31:05
a reason to be proud again of where did where they sleep where they lay their head down where they raise their
4:31:10
children where they walk to go to school what their playgrounds look like so all of these things are the Great American
4:31:16
Experience you and I talked about our Irish heritage um I just know growing up the only thing

4:31:22

I knew was there's only one group of people it's just the Irish and I and I was amazed that once I got to school I

4:31:28

found out there were actually people who weren't Irish but uh still coming back to who we are as

4:31:33

America there's no other place in the world now I had the honor of being in Normandy over the

4:31:40

weekend when you look at people who were 97 98 100 years old 103 years old and as

4:31:47

they were being honored and being wheeled up onto a stage what I thought

4:31:52

was this very moment they're no longer 97 or 9 they're that 17-year-old

4:31:58

that 18-year-old the that went on a trip to save the world they were

4:32:06

remembering that you could see it in their eyes so the question comes what does heck does that have to do with housing it comes down to you have to

4:32:14

have pride in what it is you own you have to have pride in where it is you live and if we can do these things so

4:32:22

the con we can work together these aren't Republican issues or democrat issues and I'm so fed up with hearing

4:32:27

about when I go back home you never should have voted for that bill and I said you know you know what you probably should have gone to school and then

4:32:33

you'd understand why we did that but if the only information you get is at night time watching somebody who

4:32:39

sells advertising for a living constantly just degrading everything we do you have a hard time winning but if

4:32:47

you can go back to what was important in your life it was where you grew up who you grew up with in the home that you

4:32:53

celebrated Christmas and Easter and all these wonderful things in our lives so home home is way we can do it and we can

4:33:00

do it through policy and that's the thing that just I think you're the same it is hard for me to understand how some

4:33:06

people come up with this wrong-headed view of what it is we're trying to do the United States is a great is a

4:33:12

great place it's about opportunity and it's about creating opportunity every time you can with everything that you can possibly come up

4:33:19

with and I think with all the things that you and I talk about and what we're trying to get past it all comes down at

4:33:24

the end of the day what does it build a stronger Society a stronger America America that has a greater future and

4:33:31

people looking at it every day when they wake up is gosh I can't wait to get out there and go after the opportunity I

4:33:36

have I think that in some ways we've allowed ourselves to be too come too political and not enough about good

4:33:42

policy so uh I know he he and I can work in this stuff and and blade lenire and I

4:33:48

go to breakfast every morning after Mass at St Peters but um

4:33:53

look I don't think we're trying to recreate the wheel I think we're just looking at what makes sense and so all

4:33:58

the things that we talk about are about investment private investment that there's a great return on all these properties by the way end up there

4:34:05

they're taxable events you right so I I think that sometimes you got to make sure that whatever you're doing is building building building

4:34:11

building I'm so w I'm so sick of watching us tear everything down at every possible chance we have that's not

4:34:17

what this country is about that trip to Normandy to me to look at those men on

4:34:22

that stage who volunteered when they were 17 18 years old to go off and fight a war

4:34:28

against the most professional opponent in the world at that time and do what they did so uh I just

4:34:35

makes you so proud to be an American it really does and it gives us the responsibility of you cannot walk away

4:34:42

from what they did for you make sure that you it's truly a relay race they've handed the Baton off to us the idea is

4:34:48

not to quit now because you don't like the color of your shirt the idea is to run until you get across that finish

4:34:53

line and I know I know it's [Applause]

4:34:59

difficult if I can I mean it's difficult to maybe listen to representative uh

4:35:05

Kelly and think well how does it fit into housing it do

4:35:11

look uh you know we need to have a symbiotic relationship uh you know with with

4:35:18

various pieces of geography and uh races of people or whatever uh because if we

4:35:25

all if we want to afford Americans the opportunity to um to live in in a decent

4:35:33

home which I think everybody should do I didn't live in one until I was six I didn't I didn't live I mean I it this

4:35:40

was sophisticated homelessness that I lived in and uh so I I understand it

4:35:46

experientially and I I really really think that there are a number of other social ills socio theological uh issues

4:35:55

that if we can confront it makes housing uh opportunities uh much much much

4:36:02

greater uh for for all Americans and so I I know it's probably here I am I

4:36:09

represent Kan of Missouri the home of the Chiefs that know have anything to do with it but but but but so you know but

4:36:16

he's talking about Rural and and I am talking about Rural and I live in I was the mayor of Kansas City Missouri uh but

4:36:23

I know that that that solving problems and pulling all Americans in to solve the problems because we are all one is

4:36:30

how we're going to have to rebuild this country and we build we we were talking earlier I mean why in the world would I

4:36:37

get run down those steps that you see on the news every night and talk about how horrible America is and everything is

4:36:43

wrong why would I do that I mean there is nothing that that

4:36:49

says that Mak sense or that that's going to help the nation it does not and and if if you're cheering for

4:36:55

the people who run down and and say America is horrible and dogs and cats in America worse than dogs and cats you in

4:37:03

South America I mean all you're doing is tearing down your home amen and the chances that there that you're going to

4:37:09

live on another planet I hate to tell you is just

4:37:14

remote I agree with you on that I I've got to tell you I think it's absolutely it's reached the point of insanity but

4:37:20

you realize that uh unfortunately too many people uh put all their faith and

4:37:27

fundraising on being critical of their team I I I'm I was a lineman just tell

4:37:33

me the play tell me the snap count and I'll go out and do it I don't need to be the star but I need to make the block

4:37:39

that needs to be made you have the same attitude I got to tell you uh there can't be two people more alike than you

4:37:44

and I uh when it comes to what it is we're trying to get done so I just would would hope that at some point we as a

4:37:51

people wake up uh our problem in America by the way is not too many people leaving nobody is leaving and people

4:37:58

tell me all the time what a horrible country this is it's terrible then why the hell the 11 million people go

4:38:04

through a jungle go across a river do everything the northern bord is the same way they're pouring in if it's such a

4:38:09

bad country why the hell are they trying to get here uh I just think it just take your blinders off take your take put you know

4:38:16

what put plugs in your ears don't listen to these negative people because they're no good I don't want to be around them I don't want to talk about them and I'm

4:38:22

I'm breaking my own pledge that I never talk about my own priority outside of the conference room uh today I would

4:38:27

just say there's more takers than there are makers and that's that's a sad thing yeah my immigration plan is to put

4:38:33

people who complain on the border and as and as the people come in explain to

4:38:40

them and and I've got the cars for to get there I'm sorry we're we're just down to a few few

4:38:48

seconds left but I do want to ask you Congress CL are you hopeful that you'll get legislation across the Finish Line

4:38:54

in the 118th Congress we we have a chance I I think uh Congressman Luke de and I have a I think a very very good

4:39:01

chance uh of getting our legislation through because we have uh co-sponsors on the Senate side so and I think as you

4:39:08

as you've heard us say housing is bipartisan and and so I really think that we have a chance to do something

4:39:14

that will will change the whole housing landscape thank you very much please join me in welcoming or thanking our two

4:39:21

Champions thank you thank you so much

4:39:31

good at this point we'll be taking a 10-minute break before resuming with our next panel

4:39:38

[Music]

4:40:10

he he

4:40:21

[Music]

4:41:32

[Music]

4:41:44

[Music]

4:41:56

[Music]

4:42:05

[Applause] [Music]

4:42:36

[Music]

4:42:48

[Music]

4:43:04

[Music]

4:43:12

[Music]

4:43:41

oh [Music]

4:44:04

[Music]

4:44:23

[Music]

4:44:30

[Music]

4:44:41

[Music]

4:44:47

[Music]

4:44:58

[Music]

4:45:05

[Music]

4:45:13

[Music]

4:45:19

[Music]

4:45:33

[Applause] [Music]

4:45:46

[Music]

4:46:56

if everyone could begin finding their way back to their seats our program will resume in about 2 and 1/2 minutes

4:47:04

[Music]

4:48:39

if everyone could please please find their seats our program will resume in 1 minute

4:48:46

[Music]

4:48:55

[Applause] [Music]

4:49:10

[Music]

4:49:16

[Music]

4:49:26

[Music]

4:49:40

communities across the country are taking action to increase housing supply and enhance affordability in 2020

4:49:48

Minneapolis became the first major US city to completely eliminate single family zoning it also prioritized new

4:49:55

developments near Transit stops removed on street parking requirements and made critical investments in new affordable

4:50:02

rental homes actions that tripled the housing capacity of some neighborhoods and Minneapolis isn't the only place

4:50:09

discarding outdated regul and taking concrete steps to expand housing supply in 2021 Utah passed a law protecting

4:50:16

homeowners rights to build accessory dwelling units also known as in-law suites on their property a change that's

4:50:22

expected to generate thousands of units of affordable housing visit the Terwilliger Center to learn more about

4:50:29

how Community leaders across the country whether in city hall or the State House are tackling our housing crisis headon

4:50:42

good afternoon everyone uh I'm Katie O'Donnell I'm a financial services reporter at Politico where I cover

4:50:48

housing um I'm excited to get into this next panel where we're going to talk about manufactured housing modular

4:50:55

housing how these sort of different Factory built housing options are increasing the supply of housing uh so

4:51:02

first we have Leslie G um she's the CEO of the manufactured housing Institute a national Trade Organization representing

4:51:09

over a thousand member companies from all segments of the factory built Housing Industry we have Ken Semler um

4:51:15

he is the president and CEO of impressive modular where he oversees the use of modular of modern modular

4:51:20

construction to deliver Custom Homes and other buildings and then we have Mike Tweeden um he is the Vice President of

4:51:27

Sales and business development at Champion Homes a Home Building Company that specializes in HUD code

4:51:33

manufactured housing and other Factory built buildings so um towards the end of

4:51:38

the discussion I should mention now we will be taking audience questions so you can fill you can find them in the

4:51:43

QR code in your the back of your booklet um and if you're online there should be a link all right to kick things off

4:51:50

Leslie um let's talk about the supply crisis we all know this is a huge issue

4:51:55

the dir of construction in the wake of the Great Recession sort of has led to a situation where there are very few

4:52:01

entry-level homes prices have gone up it's increasingly hard to become a

4:52:07

first-time homeowner how is manufactur manufactured housing sort of a better option for people who are looking to own

4:52:13

a home well thank you so much for having us here today I want to thank the bipartisan policy Center and the

4:52:19

executive Dennis Shay for including us in this panel I am so excited to talk to everyone today about manufactured

4:52:27

housing because we're the only form of housing that is regulated by a federal

4:52:32

building code which we call the HUD coat and what's really exciting about that is through our partnership with HUD uh

4:52:39

we're actually able to produce homes in a factory to scale um to scale this it's

4:52:45

a scalable solution around the country and they have that Federal seal of approval which means they're Quality

4:52:52

Construction they're resilient and they're sustainable so as we're looking for Housing Solutions to address the

4:52:59

shortage that we have we actually have a solution right before us today and that's manufactured housing and the

4:53:05

people who live in our homes today are so excited about them they talk about the access to newer home features when
4:53:13
you look at what we tell people today is affordable housing typically they're
4:53:19
having to make compromises in terms of what their idea of Home looks like we are quality home ownership without
4:53:25
compromise I hope some of the people here today saw our houses on the National Mall their beautiful designs um
4:53:32
the features that today's families want we've got the floor Spa the square
4:53:37
footage that people are looking for but something else that people talk about when they talk about manufactured housing is their sense of
Independence
4:53:44
and the Safety and Security that comes with home ownership and I think that's really important so we're just excited
4:53:50
to be here as a part of the solution because with the crisis that we have today when you look at the price per
4:53:56
square foot of our house being about \$85 a square foot compared to site built
4:54:02
which is over \$170 a square foot you see that this is a scalable solution built
4:54:08
to Quality Federal standards have the federal seal of approval and we can still offer that American dream of home
4:54:14
ownership to more people got it uh Mike one of the things that I feel like happens when we talk about Factory built
4:54:21
housing is that people sort of lump manufactured housing and modular housing in together and Champion Homes you do
4:54:28
both if you could sort of walk us through the differences between them sure they're modular is built to the
4:54:35
international regulatory or residential code IRC and it's very similar to a site
4:54:41
built so you have uh regular inspections from this from the city and the zoning and and Ken can probably hit on a little
4:54:47
more whereas uh manufactured Dr gu hit on is it's built to an international
4:54:53
code we have inspectors in the building at all times they inspect every single house and at times can go in any house
4:55:01
they want in any stage of production they go as far as controlling some of the materials we can use um moisture
4:55:08
content of lumber of um spacing of outlets I mean you name it it is very
4:55:14
regulated and it's consistent Across the Nation so IRC is local code uh HUD code
4:55:22
is National as Dr G referenced got it and Champion Homes was part of the HUD
4:55:28
uh Innovation showcase last week right correct what did what was sort of your takeaway from that event it's always fun
4:55:34
to watch the faces of people as they come in and walk to the house and I as we were talking ear I've referenced it
4:55:42
I'd say it's we're all guilty of it eyes soures and things of beauty catch your attention the common goes by all day
4:55:48
long so a lot of people when they think of manufactured home they remember some house that was preh HUD code that hadn't
4:55:54
been cared for it's no different than somebody that hasn't cared for their car their own yard their anything and so as
4:56:00
people walked in they were Amazed by the quality the amenities the features the
4:56:06
size of the home so it's it's fun to watch that to people's Attitude Change toward WS a a factory built product got
4:56:12
it um Ken one of the biggest challenges with manufactured housing as with siteb
4:56:18
built housing uh is restrictive zoning and uh we've seen some changes uh
4:56:24
Jackson Mississippi recently opened up their Zoning for modular and manufactured homes um but I'm wondering
4:56:31
sort of what your experience has been with zoning and whether you think is there anything that you you know if you
4:56:37
could wave a w you would have tomorrow oh boy um I think what the e or the West
4:56:45
Coast has actually been more Progressive so like California recently 2019 started allowing adus that bet either the
4:56:51

modular or manufactured home code and 20 in 20 or 2003 they started looking at

4:56:59

can they actually now condo those adus so it's one approach to getting to affordable housing but when we you know

4:57:06

the previous panel talked a lot about rural housing what we end up seeing and you know I fight it all the time you

4:57:12

know at a real working day level is code confusion is the the food chain of the industry the the home inspectors the

4:57:18

appraisers don't understand the differences and what I typically see is when people don't understand it they

4:57:24

stop and so a lot of the CC andrs in a lot of the rural communities they just

4:57:30

blanketly say no MW and if we could get mobile modular manufactured I think

4:57:35

taken out of it is you know could we go so far and say housing is a right and

4:57:40

could we get a lot of that restrictions removed from the ccnr I mean I think that would be a blanket approach outside

4:57:47

of that there are communities actually just west of here hagerstown Maryland just changed the residential code so

4:57:53

they're allowing manufactured housing into our one residential areas so that's a big way to get affordable housing in

4:58:00

but we also just have to make sure the home inspectors understand kind of to what what what Mike was saying is the

4:58:06

way the inspectors come into the factory versus what you inspect in the field because with the boots on the ground

4:58:12

that's our number one problem is nobody knows or understands the code in the whole food chain gotcha Mike I'm

4:58:17

interested in your perspective on this issue too Champion Homes has Built Homes all around the country and so is there

4:58:23

anywhere that sort of sticks out to you as either a particular problem or a

4:58:28

beacon uh to Ken's point adus in California was a big change to allow HUD

4:58:34

code adus throughout the state so that was the first move and we have little pockets we have a project going on in

4:58:41

Chicago we have a project going on uh a couple of them in Michigan and we're starting to see some of that we have one

4:58:47

going on in Kentucky and so the industry is starting to find pockets of cooperation if I could use that term but

4:58:55

we continue to run up against either

4:59:00

municipalities that don't allow it or in we even have a state out in Oregon that really is does allow it but it hasn't

4:59:07

been conveyed out to all the different cities throughout the state that it it's allowed and what would really help is

4:59:14

the ability to have don't just blanket out no manufactured no modular it's just

4:59:20

like everything else tell us what the playing field is and let us build to that so that our that that the factory

4:59:26

built house that we're building fits right on into the community that so no one would know as they went by got it um

4:59:33

Leslie you mentioned in your earlier remarks that this is an affordable way for people to sort of get on that first

4:59:39

Runk of home ownership and I'm curious kind of what the how you would sort of walk people through financing for

4:59:46

manufactured housing yes so just as our there are a range of applications for

4:59:52

our homes and a range of sizes if you guys we've had the houses on the National Mall four times and every time

4:59:59

we show the range of what we can produce in the factory from our large cross mod home that has the pitched roof we had

5:00:05

one with a garage a few years ago um all the way to our duplexes this last time

5:00:10

to our HUD code accessory dwelling units just as we produce that range in the factory there are also plenty of options

5:00:18

for people to finance their homes so someone may already own the piece of

5:00:24

land and what makes us different is that you can actually just take a loan for the home itself to place on that land

5:00:30

and that's called a personal property loan uh you could actually choose to go into a land lease Community where you're

5:00:36

leasing the land and you own the house uh you could go to a subd vision and take a loan uh it's a a real property

5:00:42

loan on both and so we like to to provide the options that consumers are

5:00:48

looking for in the place that they are wanting to live in the place that they're wanting to call home which we're

5:00:53

very excited about so we have lenders that do personal property lending we have lenders uh that do both and um we

5:01:00

have my big thing in Washington right now our priority is to make sure that

5:01:05

when we're talking about Federal programs that support home ownership that they do support home ownership

5:01:12

through manufactured housing one of the challenges we have with Fanny May Freddy

5:01:17

Mac FHA is that the personal property sign side of lending isn't necessarily

5:01:24

supported there FHA has made some really important steps this year to stand up their personal property lending program

5:01:30

the FHA Title One program and we're hoping that with the changes they partnered with jinny May to make some

5:01:36

changes that we will see an evolution to that uh that support 70% of the loans

5:01:44

that are made today are personal property and that's really because it's easier for a consumer to make those

5:01:50

choices about lending when you're selecting the house you want and where it's going to go it's it's just a

5:01:57

smarter option to do personal property and our federal programs need to support that as an option got it um Ken let's

5:02:04

talk about natural disasters and how it seems like every year there's new record

5:02:10

for how much damage is done um I think one thing that people you know your

5:02:15

average man on the street might not realize is that manufactured housing can be really resilient and so I'd love to

5:02:21

get your perspective on that and kind of the ways that it can be resilient um given the sort of increasing nature of

5:02:27

these events yeah I mean I think one of the a landmark study for our industry

5:02:32

was actually back in 1992 when Hurricane Andrew hit the South the southern tip of Florida it there was a subdivision that

5:02:39

it destroyed every home in the subdivision except for one it was a modularly constructed home FEMA came in

5:02:45

and wanted to know why did that single home stand up when every other house splintered and they found out because

5:02:50

we're of the stru the in inherent structure built into a modular unit it's volumetric modular we're building it six

5:02:57

sides it actually stays together better so today like we we get to you know more

5:03:03

current superstorm Sandy it's we see the modular home standing in newe Jersey

5:03:10

when most of the siteb build houses failed so just because so for example a two-story home we're taking four

5:03:16

volumetric six-sided structures and lag screwing and bolting them putting them

5:03:21

together but resiliency just isn't in the process of surviving the initial storm it's how fast can you repair it so

5:03:28

we typically don't suffer as much damage during the storm so it makes it much faster to get through um I'm not sure if

5:03:35

you're familiar with the or inst or the Insurance Institute of um home and Building Safety they have a facility in

5:03:42

South Carolina they have a program called the Fortified program so you get a 10% reduction in your home insurance

5:03:49

um premium if you follow the Fortified program modular very easily fits the Fortified program so it's it's actually

5:03:57

there's a an insurance industry that's supporting exactly what we're doing got it um Mike let's talk about everyone in

5:04:04

Washington's favorite new thing which is AI artificial intelligence how has that

5:04:10

how have technological developments um sort of changed or affected the kind of

5:04:16

home building process here for us we use it a lot on the the I'd say the front

5:04:22

end of the process trying to determine consumer uh

5:04:27

colors designs wants and needs in their houses what they're search for so we can

5:04:33

design products to that end of it and then we use some of it from a marketing perspective and that's really all we're

5:04:40

using right now but we are taking automation into the facilities where we

5:04:45

have um trusses built for many factories out of one operation and Cabinetry

5:04:51

that's built out of that so we're using the technology um from that perspective but

5:04:56

we're we're continuing to grow from the AI side where we're we're trying to gain as much information as we can so we're

5:05:01

designing the right product for the market got it and if you guys have anything to add on that too I know

5:05:07

everyone loves to talk about it yeah well and seeing it with other factories that are doing just that I mean and it's

5:05:12

a it's a concept because we use it for marketing and and actually writing plan descriptions for our houses on our

5:05:18

website now so it's on the front end but on the back end we're starting to work with factories that are using AI robots

5:05:24

and it's kind of strange to think of a robot because like the automotive industry you teach the robot to do exactly what it is but in the AI world

5:05:32

the robot learns so we deal with wood which is an imperfect product so AI is able to navigate imperfect it is much

5:05:40

better than the automotive industry which is very exact got it um so another question that

5:05:47

I have just for all of you um I think it's 7.5% of existing homes and 9% of

5:05:54

newly built homes are manufactured or modular um and so I'm curious kind of

5:06:00

what the biggest obstacles are to sort of advancing market share here and what

5:06:06

you think could help um Leslie that's something that we talk about often uh we

5:06:11

believe that uh in the future it's not going to be why would you buy a house that's built with Factory Precision it's

5:06:18

why wouldn't you want a house that's built with Factory Precision so what are our obstacles I think you already

5:06:24

touched on the main one and that's zoning um I always like to say we don't want to change policies that Force the

5:06:33

localities to accept a home that they don't want we want to produce houses that they say yes we want that how do we

5:06:40

bring more of that into our Homes Mike and I actually made a presentation uh before the County Economic Development

5:06:47

officials and it was standing room only and everyone's asking how do we bring more of that in to solve some of the

5:06:54

challenges we have in affordable housing and they started recognizing that it was some of the zoning barriers that they

5:06:59

had that needed to be overcome to get there that's really what we're looking for and we do believe that that will

5:07:05

help us break through uh that 9 to 10% of uh new single family home starts we

5:07:11

also think that we need to develop in subdivisions and we think that's going

5:07:18

to really help us where people can actually go seeing is believing with our houses every time we display houses

5:07:25

somewhere people come in they want to live there but you know in the traditional home building space people

5:07:30

go and you know I'm from California you've got the open house flags and you go and you can tour some models in the

5:07:36

neighborhood where they are wanting to live and as the industry starts doing that I think that we will break out um

5:07:43

in in terms of that number as well and then we do have a very um vibrant Land leas Community model that I talked about

5:07:50

earlier about 30% of our homes today go into Land leas Community so 30% of the

5:07:56

homes produced that's a extremely important form of hybrid home ownership

5:08:02
and the lifestyle that's offered um to Residents in brand new manufactured homes It's amazing And we finally have
5:08:08
expansions of communities taking place uh we have some green field developments of communities and we think those
5:08:15
Solutions are really going to help us move beyond that 9 to 10% of single family home starts
5:08:22
gotta Ken one of the things that I think you know our Factory built cousin I'm on the modular side primarily but the
5:08:28
factory built cousin to to Manufactured manufactured homes actually dominate that market space we're about 2% of that
5:08:34
10% in the industry and a and a friend of mine actually just did a an anecdotal study that if we actually
5:08:41
wanted to get the 10% of the market you would have to build 600 factories that's like a \$15 billion do
5:08:48
effort you don't do a \$15 billion do effort without some kind of government support but that's the kind of we Mo the
5:08:55
manufactured housing industry is owned by the 3 C's The Big Three the modular industry
5:09:01
is populated by a series of factories that are owned by single individual families individual business owners and
5:09:09
the to get traction to to gain that just to get to a 10 you know 10% market share there's got to be a way to get there
5:09:15
when we don't have it today we actually have 36 corporations today just so you
5:09:21
know the other thing I'd say that it's perception it goes back to that comment we've go to several events and just like
5:09:29
uh Innovative housing showcase last week people walk in and they're amazed at what they see and the first question
5:09:35
we've been to events with mayor's city council zoning and the first thing is how do we get this into our city to help
5:09:43
solve our problem and response is always zoning and they as soon as they see it
5:09:49
the Mind changes but it's having to get in front of them so it's it's perception and Zoning you know um go mhi we did
5:09:56
some consumer research a few years ago and um we did focus groups and we had pictures and we said okay would you uh
5:10:03
want to live in this house and we broke it down into the Immigrant population uh the millennial the you know the younger
5:10:10
home buyers and then the step down baby baby boomers uh the Immigrant population
5:10:16
and the Millennials were really excited about our housing when they saw the pictures look at the square footage look
5:10:23
at the number of absolutely yes where we had more of a challenge it was with that
5:10:29
step down baby boomer population and that goes to the stigma of our houses it's always the baby it's always the
5:10:36
baby but it's like from the past right it's Grandma's trailer it's that mentality then we started showing them
5:10:42
the new elevations and they got to a point yes we would be willing to accept that so
5:10:48
when I think of these zoning officials I'm thinking of that they have in their mind what they think we are from the
5:10:55
past but what they have to recognize is that their constituents are looking for Quality housing without compromise which
5:11:01
is what we offer and that's when they see these new elevations they're really excited and they're like yes we will
5:11:06
overcome our zoning to do that on the zoning issue though I mean this is something that I think housing officials
5:11:14
in DC struggle with all the time which is the question of how much of a federal role there is here it it does seem like
5:11:21
this is mostly on States and localities and there's only so much you can do to get them to change their zoning what
5:11:27
federal role do you guys see here um can I go first sorry I get really excited
5:11:32
about this yes you may thank you thank you so we're the only Federal Building Code we're actually celebrating our 50th
5:11:38
anniversary of the partnership with HUD uh the law passed on August 27 22nd 1974
5:11:45
and that's where manufactured housing was born anything before that's a mobile home we're talking about manufactured
5:11:50

housing in 1976 that's when the building code started in that federal law it said

5:11:57

that HUD has the responsibility to facilitate the availability of manufactured housing for all Americans

5:12:04

there's actually a preemption within that law because it's a federal building code where a house can be built in one

5:12:12

state and transported across state lines so there is a federal role here that's

5:12:17

extremely clear we think in the law it actually says in the law that preemption should be broadly and liberally

5:12:24

construed so we know that at the federal level that we have a federal building

5:12:29

code we also know that there's lots of incentives that HUD and others at the federal level can provide to help

5:12:35

overcome zoning hurdles there was legislation passed to few years ago that said for a locality that receives

5:12:42

Community Development block grant home funds and others other funds in their Consolidated plans to HUD that they're

5:12:50

they must consider manufactured housing they don't have to do it but they have to consider manufactured housing and we

5:12:57

think that's very important to actually get people thinking about us now I think HUD could do more to to emphasize that

5:13:05

and make sure that those Consolidated plans do contain those elements but there is definitely a way that we can

5:13:11

respect state and local control but at the federal level encourage and facilitate the availability of

5:13:17

manufactured housing yeah I mean it's uh what we end

5:13:23

up one of our biggest impediments is again being selling to the rural area like the previous speaker said 90% of

5:13:28

all housing is rural but that one attorney in that town worked with every developer and he cut and paste the the

5:13:35

CC andrs to every subdivision and it's out there and so how do you break that

5:13:40

down and I mean you know you had the 1964 Civil Rights Act followed by the 1968 Fair Housing Act and it removed

5:13:47

certain races weren't allowed to live in certain you know certain areas federally that was struck down we again if we go

5:13:54

back to say housing is a fundamental right do we modify a federal act to

5:14:00

basically break down those impediments in the CC andrs I mean let the the

5:14:05

market take the homes that the market wants and and I think we offer as an off-site industry a very competitive

5:14:12

product that I think um to Leslie's point I think there's a lot of confusion about when people hear modular mobile

5:14:20

manufactured they have a preconceived notion and when they walk into houses you know we do multi-million dollar

5:14:26

houses we're doing a 9,000 foot house right now in Charlotte North Carolina people would never guess it's a modular

5:14:33

house but we can do it and we'll do that house in two months versus 18 months

5:14:38

that's what what we offer as an industry imagine what we could do to affordable housing if we were turned

5:14:44

loose m i I think Dr G covered it from our side it's got it um got it um so

5:14:52

five to 10 years from now where do you all see sort of manufactured housing

5:14:57

where is the role kind of for manufactured housing and modular um homes in addressing the kind of

5:15:04

affordability crisis that we're in right now well again I think that it's not going to be why would you buy a house

5:15:09

that was constructed in a factory versus where the materials are brought to the field and a house is constructed it's

5:15:16

going to be why wouldn't you uh we do have some legislation uh pending that

5:15:21

we're very excited about and what that would do is bring more homes under the federal building code right now under

5:15:28

current law it says that by definition a manufactured home must be built on a permanent chassis uh there's legislation

5:15:35

pending that says that a manufactured home can be built uh with or without a

5:15:40
permanent chassis what that does is it expands the designs that we can bring

5:15:46
you know you still have the resilience and the structural Integrity but it just really allows us uh to meet the market

5:15:52
and the need where it is what we had on the National Mall last week um it they were duplexes so again which're we're

5:16:00
looking at where's the Innovation what can we do for infill um for other

5:16:05
applications that make sense but in 5 to 10 years you're going to see that we've alleviated some of this regulatory

5:16:12
burden that was talked about today by allowing for more houses built in the factory with federal inspectors in the

5:16:18
factory and we've got more designs so that people are looking for affordability it's quality home

5:16:24
ownership without compromise entry-level home buyers today should be able to

5:16:29
achieve home as they see it in their mind they shouldn't have to compromise and it can be a brand new energy

5:16:36
efficient home and we're going to be able to deliver that home ownership to them through manufactured housing got it

5:16:42
and to Leslie's point I think you know from a modular perspective like like she said earlier there is such thing as a

5:16:48
manufactured home it's built to the federal code the HUD code there is no such thing as a modular home it's a

5:16:54
misnomer I mean it's a homebuilt using modular construction it's a subtle difference but it's an important

5:16:59
difference but I think we're using Building Systems to build it and I think that's the important thing I I look at

5:17:05
us as not a different way to build where the evolutionary stepping construction

5:17:10
40 years ago you didn't you use floor trusses or roof trusses because that's just not how you built now you wouldn't

5:17:16
build a house today without floor trusses and roof trusses and I think that's the way it's going to be 10 15

5:17:21
years from now with offsite construction why would you build outdoors in the rain when you can build indoors in a factory

5:17:28
to a manufacturing standard for the house you live in I'd say that

5:17:34
Co I guess accelerated part of the problem is there are fewer and fewer Builders out there building an

5:17:41
introductory price point home and what happened is during covid for everybody is material supply went down so Builders

5:17:47
had to choose if they were given a limited amount of supplies are you going to build a price point house or you going to build the the higher

5:17:53
margined house so that's moved and then what's happened is people tried to get back into that market segment interest rates

5:17:59
have moved so um loan construction cost project costs are going up so it's

5:18:04
getting harder and it's squeezing the margins on those Builders so a factory built situation is ideal for this because

5:18:11
you still have your efficiencies and and if you look at working capital costs while a lot of the groundwork and

5:18:18
preparation for the houses in the development is going in the houses are being built in a factory so your return

5:18:23
on that investment is much faster allowing that developer to actually make

5:18:28
make a profit and make make the development work um if you look in some parts of the world Factory built housing

5:18:36
is desirable you used or pre-owned site

5:18:41
built is second choice and new site built is third and their thought is Factory built with the Precision things

5:18:47
of that sort um pre-owned site built because they say houses were built

5:18:53
better years back and then new that's reversed in this country and I think that we'll see that change as we

5:19:00
continue to move on and trying to figure out how to build affordable housing and find that that efficienc is through a factory are the way to

5:19:07
go uh so now we will start with questions from the audience our first question is from Tony Taylor who asks if

5:19:14

it is possible to integrate manufactured homes into a highdensity environment um one common perception is

5:19:20

that manufactured homes are primarily built in Rural and Suburban communities so we're seeing more and more uh our

5:19:26

Builders are producing houses that can go into that higher density environment part of that is thanks to the

5:19:32

partnership that we have with HUD as HUD updates our building code on a regular basis we're able to come up with the

5:19:39

duplex that we had on the National Mall that was two sections two chassis homes

5:19:44

and a firewall in between that was our zero lot line improvement from the update to the HUD code we also had a

5:19:51

duplex that was on one chassis so the firewall was in between the two um halves of the the two units that is

5:19:59

actually a HUD Cod update that is forthcoming so that home that we displayed um it it's a HUD home because

5:20:07

they gave us what's called an alternative con construction letter for that one house but in the coming weeks we expect that update again so as HUD

5:20:14

continues to partner with our industry we're able to do more I mentioned the removal of the chassis that's going to

5:20:21

allow us to do more multistory homes as well because you wouldn't want to have we do some uh two-story now but that

5:20:29

chassis because it's not removable it's up high and so that really changes the design of what you can do in a two-story

5:20:36

so the answer is yes we are going into higher density areas we did infill

5:20:41

housing in New Orleans we're looking at other infill opportunities I know on a prior panel someone said well the cost

5:20:48

isn't that different well I don't think that that that was referring to HUD code manufactured homes because like I said

5:20:55

we have those efficiencies in the process with the inspectors in the factory so we do see a major cost

5:21:01

difference but then like Mike said there's also that time we can build faster and we can bring more to Market

5:21:07

so we're looking for to partnering on all of these um areas including on the higher density areas where there are

5:21:13

vacant lots that need to be filled Jackson Mississippi you mentioned is a perfect example of something that we're

5:21:19

able to do in a higher density area do you guys have anything Yeah you

5:21:25

mentioned about being pushed out of the municipality area and out in the out into the country some of it is we're

5:21:31

forced out so we're out further but also you see builders that can't make a

5:21:37

profit doing it further away out into a market the drive time back and forth and everything else so that gets more

5:21:42

expensive whereas a factory built house comes in roughly 80% complete so your

5:21:48

your time for your Crews traveling back and forth to build further out economies of scale come into play the other side

5:21:54

is could we uh do more in the city yeah with the zoning change we do have I won't Point them out but we do have a

5:22:01

manufacturer in the audience today that I believe recently set a couple houses inside the city of Atlanta and so that's

5:22:07

first step and there's an incredible number of land bank lots that cities own around the country and they're actually

5:22:15

cash burdens to the city and if if they'll change the zoning tell the

5:22:20

manufacturers what the playing field and the rules are we can convert those into actually into Revenue generating

5:22:26

properties whether property tax sales tax being sped spent throughout the community and we're in and out much

5:22:33

faster so the the impact to the surrounding environment is greatly reduced because of the timeline of in

5:22:39

andout so we'd like to get in closer but that's kind of what's pushed us out got it do you have anything to add Ken all

5:22:47

right the experts here they got it our next question is um the panel mentioned

5:22:53

the importance of zoning reform to allow modular and manufactured housing on the modular side how can States and

5:22:59

localities support consistency and approvals and infactory inspections through things like building codes and

5:23:05

standards um I was going to so as Mike said modular construction is

5:23:11

built to the IRC the international residential code I think 39 states have

5:23:17

a have a an offsite or an industrialized housing code enforcement process so

5:23:22

typically the states delegate their authority to um one of a there's usually

5:23:28

four major off-site um inspection um agencies and so they they delegate that

5:23:34

so that the plans have to be approved by that third party for modular then they actually inspect and a plan to be done

5:23:39

that way so that on site there can't be a destructive inspection you can't say ter take the drive wall off to look at

5:23:45

a header or anything like that so I think in those 39 States the process exists already the problem is in the 11

5:23:53

states that don't that they they don't have an industrialized housing housing process it's left to the local

5:23:59

jurisdictions which then becomes very chaotic but right now in the 39 it's

5:24:05

very clear what can be inspected at the factory and what's done at the build I hope that answered the question

5:24:11

I'm not sure I think I think you did um so now we have a question from Killian

5:24:17

McGovern um what role does manufactured and modular housing have in improving

5:24:22

and updating older outdated Andor unsafe housing that already exists I think that's an important question um from our

5:24:29

industry's perspective the mobile home does create some of the stigma uh that

5:24:35

people have around manufactured housing so we pulled the numbers from census and if you look at all the houses that were

5:24:41

built it's in decades so I had to look at 1980 and and earlier and 30% of the

5:24:49

houses still in existence today were built 1980 or before and so those are

5:24:54

some of the older houses that I'm sure Killian is asking us about that perhaps uh because they're older they are not

5:25:01

built to that building code that we enjoy today that we're so excited about so what can what can be done uh the

5:25:08

government has for the first time ever HUD has announced a program a funding program for the preservation of

5:25:15

manufactured housing communities and a part of that is a replacement program where some of those older homes can be

5:25:21

replaced um you know anytime we're talking about an older housing stock we're talking about challenges so as an

5:25:28

industry we're supportive of those kinds of efforts to make sure that people are living in the safe decent and affordable

5:25:34

homes um that we are so excited about the other thing that is concerning when you talk about that um is how our houses

5:25:41

are anchored we know that what is is great about our houses is they're built in the factory it's also important that

5:25:47

they meet the federal standard for installation some of those older houses might not and that's where we get the

5:25:53

questions about how do they withstand the storm how do they we have wind standards we have thermal standards

5:25:59

today uh but that older housing stock maybe needs some more support and that's

5:26:05

where as an industry we definitely enjoy our partnership you know with HUD and looking at how we can replace those

5:26:12

older homes with new quality manufactured

5:26:19

homes yeah you got it goodbye you guys um so our next question is from Johnny

5:26:25

kurzfeld um can you respond to the possibly misinformed criticisms that manufactured housing is less renewable

5:26:32

and L available for upgrades or modification I would start by saying I think that is a misconception I'll

5:26:38

use going back to co during Co supplies were in limited you know limited

5:26:44

availability we had people scouring Lowe's Home Depot Ace Hardware you name

5:26:49

it to buy up all the lumber insulation sheetrock we could to use for the same

5:26:56

reason everybody else was and so our materials used are readily available and

5:27:02

uh at at hardware stores throughout the country got it yeah and so when people

5:27:07

are looking to upgrade their houses uh they're looking for those materials it's we use the same materials I hate it when

5:27:13

people call it stick built versus manufactured housing because we use the same materials it's site built or in

5:27:20

Factory built right um but we do have if you maintain your home the lifespan is

5:27:26

going to be the same uh we have numbers from Lending Tree about the appreciation a lot of people say oh these houses

5:27:31

don't appre never buy a manufactured home they don't appreciate and what we're looking at um over the 5-year

5:27:37

period that Lending Tree looked at it was a 35% appreciation so you're seeing

5:27:43

our houses appreciate at the same rate if not better than the site Built Homes

5:27:48

wow um the next question we have this is interesting to me uh is there an

5:27:53

intended usable life for most manufactured homes and that's what I was just saying yeah um at the end of the

5:27:59

day it's the same as a site built in terms of of the life you must maintain

5:28:05

your home there's a life for the roof and you know know all of the the components Mike and and Ken you can talk

5:28:11

about that more but with the proper maintenance that house is going to be there and and last just as long as a

5:28:17

sight build home and I always like and this is one of the visual things that everybody here can see go by any Community that's being constructed in

5:28:23

the spring and look at all the water laying on all the floors and imagine nobody stopped to make sure that was

5:28:29

dried out they just built over it I've been in communities where the puddles stayed there for 3 months and never got

5:28:35

dried or swept and not a drop of water hits a floor in a modular manufactured home in a buildin doors It's Always

5:28:42

Sunny and 75 into factories what I tell people I love it I love it uh well on that note I think that's

5:28:48

all the time we have um but thank you all so much for uh watching this panel

5:28:53

and uh we'll now take a short break thank you yeah thank you I think

5:28:59

it went well

5:29:15

[Music]

5:29:25

n [Music]

5:29:43

he

5:29:49

[Music]

5:30:08

oh [Music]

5:30:38

oh [Music]

5:31:37

w oh [Music]

5:31:47

[Applause] [Music]

5:32:27

[Music]

5:32:33

w [Music]

5:32:42

w [Music]

5:33:01

[Music]

5:33:07

oh

5:33:14

[Music]

5:33:38

oh [Music]

5:34:00

[Applause] [Music]

5:34:13

[Music]

5:34:36

St ch

5:34:42

[Music]

5:35:28

[Music]

5:35:36

SM a

5:35:44

[Music]

5:35:51

[Music]

5:36:12

if everyone could please begin making your way back to your seats our program will resume in a couple of

5:36:19

minutes thank you

5:36:33

[Music]

5:37:03

[Applause] [Music]

5:37:37

he

5:37:43

[Music]

5:37:55

if everyone could please find their seats our program will begin in one minute

5:38:07

oh

5:38:15

[Music]

5:39:04

now

5:39:15

[Music]

5:39:25

with Rising mortgage rates and soaring rent prices affordable housing has never been more Out Of Reach the mismatch

5:39:32

between the demand for housing and available Supply is driving today's hous

5:39:37

affordability crisis in recent years the US has underbuilt housing by millions of

5:39:43

homes fortunately we have the solution the American Housing Act would

5:39:48

strengthen the low-income housing tax credit program encouraging greater private investment in affordable rental

5:39:55

housing it would also promote affordable home ownership by mobilizing private investment in entry level starter homes

5:40:03

and the plan would incentivize local communities to reform restrictive zoning laws that limit housing density and

5:40:08

block new construction it's time for the housing affordability crisis to end and

5:40:14

we need your support to make that happen read the full American Housing Act to

5:40:19

learn more and help us ensure that every family can find safe affordable

5:40:27

housing all right well good afternoon everyone uh I'm Nick timrose I'm the chief economics correspondent at the

5:40:33

Wall Street Journal it's my pleasure to moderate today's Final panel discussion where we will talk about some of the

5:40:39 most urgent economic challenges facing the housing market uh we're going to focus on deciphering recent economic and

5:40:46 housing market trends and what lies ahead uh despite some promising indicators the housing market is still

5:40:53 dealing with a significant structural deficit of homes and this of course has been compounded by high mortgage rates

5:40:59 and Rising Insurance costs that we heard about in the discussion earlier today now I'm delighted to be joined by an

5:41:05 outstanding panel of economic uh economists and policy experts who will bring a wealth of knowledge to our

5:41:11 discussion our first panelist Selma Hep is the chief Economist at core logic Selma leads core logic's economics team

5:41:18 which is responsible for analyzing interpreting and forecasting housing and economic Trends in real estate mortgage

5:41:25 and insurance next we welcome Doug holen founder and president of the American

5:41:30 action Forum Doug was formerly Chief Economist of the Council of economic advisors and director of the Cong

5:41:37 Congressional budget office and he leads aaf's work in promoting Innovative free market solutions to the country's

5:41:43 defining domestic policy challenges and finally we're joined by Skyler Olsen

5:41:49 Chief Economist Zillow Skyler is a foundational member of zillow's economic research team which provides unbiased

5:41:55 data and Analysis about the housing market to inform policy makers journalists academics and consumers so

5:42:02 welcome to the panel and uh to start us off um I'll ask the same question to

5:42:07 each of you but I'll start with you Skylar the FED is meeting today and tomorrow I think a lot of people are

5:42:14 curious about where you all think the fed's interest rate policy is going to go uh it doesn't seem like they're going

5:42:20 to cut rates this summer but we'll get an inflation report tomorrow morning everybody has been waiting on shelter

5:42:26 disinflation to really show up uh where do you see inflation going over the next six months and how do you think the FED

5:42:33 might react to that yeah yeah I mean I think the Fed obviously has a hard challenge in front of them because we've

5:42:39 got you know the new data that is released and constantly seems to kind of throw us for a bit of a kilter um as a

5:42:47 housing Economist and you mentioned the shelter kind of inflation component of it I focus there right what can Zillow

5:42:54 help inform on the shelter component so a third of that consumer basket it really matters and I think what the

5:43:00 drama that people focus on is that looks still too high oh so rent growth is

5:43:06 still still too high owners equivalent uh growth is still growing too fast

5:43:12 right um but Zillow did an analysis and tried to think about what are we actually watching when we look at that

5:43:17 shelter CPI because Zillow has metrics that shows that onm market rent like if

5:43:23 you're going to go sign a new lease that rent is really soft right if not falling

5:43:28 so in other words a new lease is not really growing very much over time what

5:43:34 is growing is people that are renewing Lea right because existing landlords are

5:43:39 catching up to what's on Market um and so we're seeing the CPI shelter

5:43:45 component continuing to look like it's growing too fast because people are still moving right from off Market to

5:43:52 onm Market and you see that extra pressure now here's the trick if I see that and it's more about just people

5:43:58 continuing to move now it's not really a monetary policy that can help that issue

5:44:05 right it becomes more about um an affordability issue to actually deliver rents to come down right because

5:44:13 just structurally we'll see that just shelter CPI will continue to grow too fast because people continue to move

5:44:20

into what is a now step function more unaffordable rental market right well so

5:44:27

let me pick up on that and I'll throw it to you Doug so if Market rents which started coming down to the end of 22

5:44:33

right you've seen a 12-month CPI in shelter I think it's from the mid 8s down to the mid fivs but we we see

5:44:40

Market rents both Zillow and cor logic uh closer to two or 3% um why not I mean that's so if if

5:44:49

housing inflation is reflecting economic demand from two years ago should we just

5:44:54

throw it out I mean there was an opet in the Washington Post a couple days ago that said take out take out Oar and

5:45:00

inflation's back to 2% uh there's a a longer answer in my morning email which I encourage you to

5:45:07

after you donate to the American action Forum um a nice plug there yeah thank you no I

5:45:15

I you don't throw things out you don't throw out unpleasant numbers to to get the the inflation index of of your

5:45:21

choice so that you can hit the target that you're aiming for so I really disagree with with that everyone has

5:45:27

expected softening uh conditions to feed through into the rental component and thus the owner's equivalent rent uh and

5:45:35

and to get the shelter which is still running at a rate of 5.5% year-over-year in the last report I mean get that down

5:45:41

something closer to the the 2% Target 3% somewhere in there um I still expect that it has just stalled for about the

5:45:49

first three months of this year and the question is why and I think what went on in

5:45:54

2023 was essentially a good news bad news story for for the fed and disinflation the good news was

5:46:01

unambiguously good news we got this uh bump up in productivity growth to 2.3% we were running a negative productivity

5:46:07

growth it's the biggest swing in the in the past 10 years easily and productivity cures a lot of ills and

5:46:13

allows for disinflation much more easily and that that was a great uh help to the fed and on top of that we got a lot more

5:46:19

workers um the cbo's documented the vast flow of of immigrants much higher than expected and and and that those two

5:46:27

Supply shocks helped inflation come down just really uh much more easily than people had thought with a lot less pain

5:46:33

that they had anticipated but the flip side to all those those immigrants showing up is they have to live

5:46:38

somewhere and they have to eat and so we just sort of saw the the the disinflation sort of stop and now

5:46:45

they've cut back on the border crossings and they appear to have cut that off so we're in a situation we don't have beneficial Supply shocks we have a

5:46:52

little bit of a residual demand shock from from the flows in and it's showing up in in in places you would expect to

5:46:57

and so the fed's simply going to have to stay at it for a little bit longer so to answer the original question I think the

5:47:04

feds you know they're on hold tomorrow that's not surprising but I think think you'll see um the the the sort of dot

5:47:10

plots uh indicating roughly one cut left this year down from three in March and

5:47:15

one cut is going to be interpreted as well that's after the election because no one wants to move before and so I think that's what you should expect to

5:47:21

see tomorrow is but is that what you is that what you expect put apart what they're going to I'm skeptical of a cut

5:47:27

this year more and more those jobs numbers I I'm less skeptical I I think

5:47:33

the economy is softer than many people think and has has shown some real real

5:47:38

weak reports we got a really weak ISM Services report not long ago we had a terrible retail sales report we've seen

5:47:44

some real softness in the numbers and even with the big jobs number on Friday the household report was a was a

5:47:49

disaster area so I'm you know I'm I'm less sanguin that somehow this economy

5:47:55

is uh uh immune to the the the fed's uh very restrictive and continually

5:48:00

restrictive policy and remember if they do nothing and inflation comes down they're getting more restrictive real

5:48:05

rates are rising you know it's taken a toll so Selma I want to ask you the core

5:48:10

logic series The Core logic um uh repeat rent IND index uh bottomed earlier this

5:48:17

year I think it ticked up a little bit and I don't want to overreact to you know one month but I wonder there

5:48:24

because there had been this hope if you look at some of the new lease rent indexes they're down to zero there was one last year that was maybe suggest and

5:48:30

we were in deflation um core logic showed I think we were at 34 from 262

5:48:36

.6% are we seeing any kind of a stabilization in uh in in leasing demand

5:48:44

in in vacancies and in pricing power for uh housing owners right well remember

5:48:50

it's going to depend on what type of housing it is and what we track in single family rent index is exactly that

5:48:56

it's single family rents that are being uh captured through MLS data so it's a

5:49:01

segment of a market but what we are seeing is firming of those rents uh High higher again and that is what worries me

5:49:09

because uh this indicator is Mo most directly correlates with Oar and so I am

5:49:14

worried that actually it's not only been one month but in the next week's release you'll see three months consecutive uh

5:49:21

acceleration of that rent growth and even for this last month the monthly gain was stronger than we historically

5:49:28

would see at least prior to the pandemic so I am worried that and again it depends on the market you have Austin

5:49:35

you have uh Miami maybe Phoenix I think this this time around is is is slowing or even

5:49:41

declining but you have a vast majority of markets that are seeing increases in rent so it depends on Supply always at

5:49:49

least at this time this time for the for the market and um and it depends on on

5:49:55

demand and where we it also depends sort of what we saw during the pandemic and

5:50:00

how it relates in terms of overall increases in red growth uh up to now so

5:50:05

we saw some markets saw significant surge rents you know Miami and Austin are two of those and so now there is

5:50:12

some softening in contrast uh the markets that are firming up are markets in Northeast and and and the west

5:50:19

where rent was softer during the pandemic so so it's almost a bit of a catching up going on it's a it's a

5:50:25

little bit of a surprise though to hear I mean I know the single family Market has completely different Supply Dynamics

5:50:31

from the multif Family Market but at a certain point you might think the two compete against each other um why is it

5:50:38

that we're seeing this either re acceleration or at least stability uh

5:50:44

nationally is it is it uh more just the supply is tight or is it demand actually picking up well I think it's both I

5:50:51

think Supply is tight I think demand is speaking up because people cannot otherwise afford to buy affordability

5:50:58

you know we can all agree on that uh it's at all-time low or very long-term low um so people are turning to rentals

5:51:07

and Skyler what are what are your dashboards showing right now when it comes to pricing power for owners of uh

5:51:13

rental homes either single or multif family yeah we have pretty similar rental uh Dynamics on the single family

5:51:20

side in that we are seeing that acceleration though I don't know if you saw in the more recent month it started

5:51:27

to go a bit softer again which might point to kind of more the demand side weakening kind of of things but before

5:51:34

this most recent number you know the May that we were looking at single family rent was yes uh more almost uh I

5:51:41

wouldn't say accelerating it wasn't that extreme but certainly having a hard time slowing down um and I think for very

5:51:48
much the reason that we have a massive generation that is approaching for sale
5:51:54
go buy home first-time home buyer ages um and they are blocked from going into
5:51:59
that for sale side so the Northeast where we're seeing single family rents very strong those are the same cities
5:52:05
where the new list listings from existing owners that are trying to sell their home have pulled back the most
5:52:10
right so it's not just oh I'm you know trying to live my this lifestyle this vision for myself and mortgage rates are
5:52:18
high so maybe it doesn't make sense to buy it it's also even if I wanted to move forward and buy it I might not be
5:52:23
able to find that home it's just not there right I I should have noted at the outset we are going to take audience
5:52:29
questions in a little bit um and you can submit those via the QR code in your program booklet um or via the link in
5:52:37
the YouTube chat if you're watching online so uh so sticking with that Skyler and I'll ask you Doug I'll ask
5:52:43
this question to you Doug uh there's a lot of concern right now that high interest rates are just uh torching
5:52:49
future Supply in the housing sector so we're going to have even bigger problems uh a couple years from now um my sense
5:52:56
is that the FED recognizes this but feels like getting control of inflation is first order challenge compared to
5:53:03
sort of the the micro or the the structural issues that policies could be causing so if you're concerned about
5:53:10
these uh you know future Supply destruction are there policies now I
5:53:15
guess fiscal or structural policies that could be Advanced uh regardless of what happens I
5:53:22
mean maybe we stay with 6% mortgage rates for the next couple years maybe we come back down who knows but without
5:53:28
having to get into that what do you do if you're a policy maker here that's worried about that it's a really good
5:53:34
question go ahead yeah yeah I mean you know I uh I think a lot
5:53:41
and you know I got my start as an environmental economist so it's even easier me for me to go this way right um
5:53:47
but anything that will increase density uh and then add more units or encourage
5:53:52
Supply um you know the recent moves to just make litech you know much stronger
5:53:58
to get more out there um I also think how old US housing is um you know we
5:54:04
were talking about the low existing you know owners right that aren't really they're locked in they're not uh listing
5:54:10
their homes as often but generally owners you know they're more likely to be of an older
5:54:15
generation uh you know they will return those homes uh to the housing market but
5:54:21
those homes are very old um and so you know any uh those kind of focus I did
5:54:26
like you know the more of the community you know investment aspects of it you know those infrastructure to kind of
5:54:32
return the naturally affordable units to a safer space B um density more
5:54:39
Supply AI go ahead so starting with the FED I mean you know the FED targets the
5:54:44
Aggregate macroeconomy and it's not going to uh choose policies based on sectors and so that I think that's
5:54:50
appropriate having said that um the Fed was was instrumental in a lot of the
5:54:57
short run Dynamics because for reasons that um they haven't ever really been super explicit about someone should ask
5:55:03
them do you know anyone who could ask them um uh why they chose the mix of uh 60
5:55:09
billion in treasuries and 30 billion MBS and then they flipped and they started pulling 35 billion out that \$65 billion
5:55:16
swing in the availability of mortgage capital is a substantial part of mortgage Finance United States it's it's a quarter to a fifth of these are the
5:55:24

these are the bond purchases they did in 21 20 and 21 and then expansion the balance sheet and the rundown yeah and
5:55:29
so that that's that had a that injected a huge short-run Dynamic into the mortgage Finance Market was spilled over
5:55:35
into the actual physical construction markets and and you know that that needs to be better understood and to play out
5:55:42
because that's been a significant part of what's gone on stepping back from that we had a big housing shortage
5:55:48
structural shortage problem before that so you can't lay this all at the the foot of the FED for the high interest
5:55:54
rates they helped it enormously before that now it's part of the transmission mechanism of of a restrictive monetary
5:55:59
policy that's life but it's it's the other things now I'm skeptical of fiscal policies on this front because
5:56:06
they'll do is provide demand subsidies to to various owners and renters and and exacerbate the problem what about the
5:56:11
Block Run incentives you don't so you have to get to you have to get to supply incentives those are the ones that I think have a chance um I
you know I'll
5:56:20
just Echo the the previous panel discussion which I thought was really good because if you look at that the
5:56:25
sort of the housing construction business it sort of looks like bombal's disease we've had no real productivity
5:56:30
growth in 100 years and um so you got to find a way to enhance the productivity
5:56:36
growth gets inject something into this sector to make Supply easier to to generate and to stop the structural
5:56:43
problems so that's all the regulatory barriers and uh the zoning barriers and then anything you can do fiscally to
5:56:50
yeah the manufacturing stuff I mean the the anything you do fiscally to incentivize localities to do that then
5:56:56
then you're on her song sheet some I'll ask you I mean yes I
5:57:01
take tug's point there hasn't been a lot of innovation productivity gains in the housing sector are there Technologies is
5:57:07
there anything on the horizon that that might stand a chance of changing that in
5:57:13
terms of Technologies um well so I would first of all I would Echo that Supply is you know
5:57:21
is is the first and foremost way of getting us in terms of afford I think the rates going from 6% to 5% are not
5:57:27
going to change dramatically the uh the calculation the home ownership calculation for a lot of people um what
5:57:34
it is what will change is if housing becomes increasingly more affordable uh
5:57:40
but who has the M if we are trying not to you know Federal Reserve has their
5:57:45
own set of problems federal government has their own set of problems homeowners right now have a lot of equity right
5:57:52
they're at at at highest levels of equity that they've ever had and an average homeowner has over \$300,000 in
5:57:59
equity why not give them um tools um to
5:58:05
uh to provide a additional housing in terms of smaller adus guest houses uh
5:58:11
you know and and that can provide a lot of rental housing that's not currently available and it's not that high density
5:58:17
necessarily that's super expensive and it gets a lot of nism and and takes a
5:58:22
long time to build not nothing against it I'm just saying something in the short term and you know um so California
5:58:28
has been doing something in in that way and and I think that's a it seems to me
5:58:34
like a most quick way to address a shortage in some of these
5:58:40
areas with highest levels of of housing affordability challenges and and shortages you you mentioned I'll come
5:58:47
back to you in in a second scar you mentioned interest rates coming down to from six to 5% might not do that much
5:58:52
for for for affordability I mean how do you see the prospect of uh let's say we
5:58:57

were to have rate Cuts without a serious employment downturn so the soft Landing type adjustment Cuts is there a prospect

5:59:05

there for for uh home price inflation to pick up in a way that maybe becomes less

5:59:11

helpful uh for you know an institution like the FED trying to manage accurate demand and you you actually keep

5:59:18

inflation pressures uh stickier than you want them to be right I think that's that's actually the big concern because

5:59:24

if when you look at what happens with uh housing demand and home prices as soon as mortgage rates come down people

5:59:30

rushing we have such a huge number of bent up demand uh house holds out there

5:59:37

um as soon as mortgage rates come down people Rush In And we see surge in uh home price appreciation and that worries

5:59:43

me that that as soon as the mortgage rates do come down that we will see that and that's why I don't in addition think

5:59:49

that that that uh it's going to help affordability that much yes Skyler well

5:59:55

yeah I guess just to quickly kind of tie a bow on that idea so when we match up

6:00:00

middle income you know uh median household income and the value of a

6:00:05

typical home home and you take today's you know near 7% mortgage rate um that'll take around 36% out of their

6:00:13

income for the mortgage payment property taxes and insurance and most people say affordable is less than 30% right

6:00:20

mortgage rates come down to 6.4% and it comes down to that you know third of your income if it goes back

6:00:27

down uh to 5% that's affordable new home ownership again uh and it for sure revs

6:00:33

up the demand kind of side of that picture uh but might bring a little bit more Supply but to come if you don't

6:00:40

mind to come back to the technology idea for new construction um I think you know

6:00:45

part of I teach real estate Evolution and disruption and a theme at the University of Washington uh and a theme

6:00:51

that we talk about all the time is this idea there's lack of uh uh productivity

6:00:56

gains but a real lack of just um modernization across the board uh if you

6:01:03

think about one of the challenges of new construction like one of the challenges with infill is people have a hard time

6:01:08

even knowing what is possible to build on this site right it could be zon today

6:01:14

for four units and it has one unit on it you know who's to know that information

6:01:20

um uh I was talking to you know some great people uh earlier who are working on uh those kind of products um you know

6:01:27

the uh that kind of thing and then in terms of other kind of Construction Technologies I think there are uh a lot

6:01:36

of things that you're seeing out there but are more used um like 3D home

6:01:41

printing is more used in the very affordable housing community kind of space it works right it makes an

6:01:47

affordable product um so it's just how do you then same thing with modular

6:01:52

construction like you can build far more affordably with these techniques it's how do you then get the technique more

6:01:59

widely used or or efficient across and it you know I guess I'm Zillow but it comes starts with information and access

6:02:06

to that uh kind of insight so on on the topic of of mortgage rates and the

6:02:12

Outlook do any of you see mortgage rates getting back to 5% in the next two

6:02:18

years you do you Doug I do why um five

6:02:24

does no one else said yes I mean qu have fun defend you're now out of issue is

6:02:30

the issue is not when do they come down when does the FED cut it's always been why does the FED cut yeah and I think

6:02:37

they will cut because of uh demonstrable weakness in the economy and right now for example among my concerns is we have

6:02:44

had zero real disposable income growth from January to now zero while interest rates come down and

6:02:51

you do your affordability calculation that assumes that they've got some income but if we're not generating

6:02:57

income uh we have a real problem on the demand side so I think they're going to be cutting because we've got other uh

6:03:04

weaknesses in the household sector and I've been pleased the business fixed investment has held up as well as it has

6:03:09

but that's also showing some cracks every post-war recession except the pandemic starts with a downturn in capex

6:03:17

and if the capex gets weak again you know we've had one good quarter out of the past three then then I'm then I'm

6:03:23

worried about the Outlook and I see them cutting and and rates will come down well and the weakness in capex usually starts in housing which was sort of an

6:03:29

anomaly this time that housing didn't take as much of a hit um the reason I I

6:03:35

I pressed on that Doug is it ties into fiscal policy I've been a little bit surprised but it's only been two years

6:03:40

now where we've really had mortgage rates close to this level but a little bit surprised that the political conversation here in Washington hasn't

6:03:47

adjusted to the fact that interest rates might not be low again and that given uh FIS fiscal sustainability concerns one

6:03:55

thing you might want to do if you wanted to bring long the long end down was turn towards some kind of fiscal retrenchment

6:04:01

we saw that when Bill Clinton was elected in 1993 there were fears about the long end of the yield curve and

6:04:07

let's get mortgage rates down by uh showing the bond market we mean business as you look at the likely two

6:04:15

candidates for president uh the composition of the legislature over the

6:04:20

next two to four years how do you see the prospect that we actually get to a place where we're dealing with some of

6:04:26

these these debt and deficit concerns uh because if they don't you do wonder

6:04:31

about crowding out private investment I'm I'm deeply concerned about that I mean we've we've grown much

6:04:37

more slowly in the 21st century than we did in the 20th century um you know the standard living doubled roughly every 29

6:04:43

years in in the 20th century we're on track to double every 56 now I mean it's we're just we're not growing a trend

6:04:50

fast enough and um part of it is we've not controlled the debt it has risen sustain on a sustained basis in the 21st

6:04:56

century so so the next president's going to deal with that you think so I'm asking you firm no here um you cannot

6:05:05

deal with that unless you deal with Social Security and Medicare and they both taken that off the table those are the largest pieces of this of this

6:05:11

budget pie uh they're growing faster than everything else and and so you're you're NL at we'll do it with tax

6:05:17

increases then that they will do some tax increases and they will be unsuccessful uh because the problem here

6:05:24

arithmetically is that out of the \$82 trillion in spending over the next 10

6:05:29

years 70 of it is non-interest spending interest getting bigger only 20 of that's discretionary it's all mandatory

6:05:35

and Social Security and Medicare are 32 trillion of that and they're growing at 5 a half% and 7% there is no Revenue

6:05:43

Source that's going to grow that fast so you can jack it up temporarily close the gap but then it's just going to widen again so there's an utterly unin uh

6:05:52

uninformed business of fiscal arithmetic that's going on and they got to sort of get their heads around the reality and slow the growth of those

6:05:58

programs these presidents aren't going to do it neither Trump nor Biden's going to do it there's no question about that the American people are blissfully

6:06:04

unaware there's a really big problem and need to to get some education so it's it's going to take some time I don't

6:06:11

like any of that um but making me feel a lot better now I'm going to sleep well tonight yeah I am good only for the
6:06:17 alcohol industry in America that is all I've ever you know what you should do Nick you know what we should do up Zone
6:06:23 up so so so Skyler the conversation during last year's piano in which you participated here focused on declines in
6:06:29 home construction in the beginning of 23 now Trends have been different this year Zillow is indicating increase in new
6:06:36 listings um you look at the census data and you see new home Inventory completed for sale is is High I mean it's it's it
6:06:43 was very low so that's not saying much but uh can you elaborate on the trends and what's changed from last year to
6:06:48 this year Supply yeah let's start with the kind of existing owner so the worst
6:06:54 it got was April of last year um the existing
6:06:59 owner around kind of 36% down in terms
6:07:04 of listing their home homes relative to pre-pandemic and then rates went up even higher and oddly it got uh a little bit
6:07:12 better right and the oddly a little bit better was maybe if you saw rates go up it dispelled you from waiting maybe um
6:07:20 and so you push forward now we're still 23% down from pre-pandemic and that
6:07:27 really honestly amounts to over like one million fewer home sales a year I mean
6:07:32 it's a big deal pullback from existing owners that are locked in okay so now
6:07:38 you're thinking oh are we building more and I think that's one of the huge reasons why we saw single family home
6:07:44 starts recover so uh well um even at you know when the first interest rates came
6:07:50 up they went down too you know everyone oh interest rates are up uh but then you know you saw that start activity uh
6:07:56 start recovering Again by the way single family home starts have started coming down again since uh February um which is
6:08:03 uh interesting um and that's a very different look than the multifamily
6:08:08 space that continues to kind of decline um so Builders are in many ways filling
6:08:14 the gaps Selma and I sometimes speculate and um you mentioned earlier like where
6:08:19 rent is growing or not growing and and the new construction there but it also we look less locked in in the South as
6:08:26 well and I I had thought you know oh it's the new construction taking the pressure off but you also had some data
6:08:33 about the average mortgage rate held in those spaces so those populations are actually less locked in sorry I'm like
6:08:39 just saying Selma says yeah um but you can you can see that new
6:08:45 construction you know kind of can fill that Gap um but if you talk to builders they do it at high expense to buy down
6:08:52 those points and it's getting harder and harder to do that uh profitably so so so Selma core logic's most recent home
6:08:58 price index update shows 5.8% year-over-year growth in prices what's
6:09:04 driving this I mean are we looking at 6% home price inflation as far as the I can
6:09:09 see what what's your uh expectation yeah so I think when you look at the national
6:09:14 home prices it masks a lot what's happening regionally and so Skyler
6:09:19 mentioned Skyler says um and I talk yeah some and I are here
6:09:26 interact uh inventory is up and inventory is up in in most a select
6:09:32 group of markets right not it's not up everywhere it's not up in norththe uh where there's a lot of demand it's
6:09:37 not necessarily up in some of the western markets that have also a lot of demand they're up in Florida and they're
6:09:42 up in Texas and we have seen slowing of home prices in those markets as a result

6:09:48
of more inventory but other things too we can talk about that little bit later you know um Insurance costs and and and
6:09:55
taxes but the fact is that when you do have more inventory you see slow rate of home price appreciation so we're seeing
6:10:01
that nationally home prices you know you take weight right you wait and you have large
6:10:08
markets like New York large market like um Southern California Chicago that are
6:10:13
population wide large that are now seeing appreciation and that's uh weighing that index higher right so so
6:10:21
as a result of that the index is up five six% on year-over-year basis while it's down May down or or flat or maybe 1% up
6:10:29
down in Florida and Texas so so so inventory does matter but again I think what is in a national index what gets um
6:10:38
uh it's it's it's the regional variation gets gets massed um the other
6:10:46
thing is uh you know in markets that that are seeing a lot of appreciation right now so we saw about 5% last year
6:10:54
home price appreciation about let's round it up about 5% this year but it's again due to different circumstances
6:11:01
last year was the strength in southeast and South uh it's a lot of it was a lot of retirees a lot of people that had
6:11:08
cash um maybe cash. Equity so had more purchase power this time it's Northeast
6:11:15
and a lot of labor labor strong markets that have uh consumers that have uh dual
6:11:21
incomes that have high wages so it's different drivers of this home press appreciation but the other thing too is
6:11:28
sometimes it's momentum too you have just momentum build up uh to uh you know bringing it to 5% today so are we going
6:11:35
to go go up to 6% I think I think we've peaked at this point uh we may see some
6:11:40
variation depending on how the summer goes I think uh High mortgage rates are starting to weigh more on home prices so
6:11:48
we are seeing some weakness in terms of you know the seasonal gains but um I think this is kind of where we're going
6:11:54
to be for a little while Skyler well we um so one of the we so on the numbers
6:12:02
that aren't out yet Nick but we'll be out soon um did very much so see may
6:12:07
come in surprisingly soft um in April we saw time on Market uh lengthen um and
6:12:16
that was surprising we had been expecting a little bit more of the same and then I think you have one more month
6:12:21
of getting those sales transaction records came in so that zhvi kind of slowed down a bit
6:12:28
unexpectedly in May one of the ways that I think about it is you know when
6:12:34
mortgage rates come up to 7% and you know stay there the seller doesn't necessarily get more locked in they're
6:12:41
locked in you know uh but at 7% that buyer really starts to feel that more
6:12:47
and so you see more of that demand side pullback um and then if I follow up
6:12:54
you know the uh 90-day delinquencies and particularly among those younger
6:12:59
populations you know first-time home buyers we might actually start being seeing kind of that demand pullback
6:13:04
that's will slow home prices this next year our forecasts are getting our
6:13:09
forecasts nationally are really flat this year mean it's been the case that everybody's been expecting these rate
6:13:15
Cuts this has been the most widely anticipated recession the most uh you know we've been expecting rate cuts and
6:13:22
so in February when mortgage rates got down at least at the beginning of the month I think they got down to 66 they
6:13:28
had been at 66 in January people making their decisions at the beginning of the year saying okay I'm going to go into the market now at uh
something with a in
6:13:35
front of it and you quickly find after some of those cpis rolled in no you're not going to get that um but Selma you

6:13:42 touched on on insurance costs and you also mentioned softness in Florida and Texas and I don't mean to tie the two

6:13:48 together but since you mentioned it uh Insurance costs have become a critical issue impacting housing affordability

6:13:54 core logic has the climate risk analysis platform how significant are the risks

6:14:00 as you see them from property insurance and what long longterm impacts are we

6:14:06 looking at in the housing market because of fire risk climate risk uh storms

6:14:11 things like that yeah well I'm personally really concerned about uh Insurance component of uh housing costs

6:14:19 because people uh and and I think it was very well discussed in in the insurance panel I mean they they covered it all

6:14:26 almost all the talking points I was going to say they they talked about it but the fact is that um the reinsurance

6:14:33 market is considered in uh price risk not being priced appropriately and they

6:14:40 um and for insurance companies to get Capital it's gotten increasingly more expensive uh on that panel discussed

6:14:47 that in depth and and so uh and it's and also one person said that it's not going to stop and so it's not as if we had

6:14:54 onetime shock in terms of 40 50% increase in Insurance costs it's something that maybe not every year is

6:15:01 going to increase at that rate but it's going to be increasing so what I worry about is people on fixed incomes people

6:15:07 that you know have assumed that their uh uh home ownership expense is going to be

6:15:12 fixed uh from here till you know the end of the 30 year F year you know until

6:15:18 they move or whatever the case may be but uh but it's not and and so and so we

6:15:23 are seeing that play out in markets and and why I mentioned Florida and Texas is

6:15:28 because we are seeing more inventory come on Market as result of that people cannot afford to uh

6:15:35 cannot afford those increases in in the in those expenses so what what what can happen one if one doesn't have um

6:15:43 mortgage they can opt to self-insure meaning they don't have insurance which means if there is a disaster all of that

6:15:50 Equity that they have all of the wealth uh can be wiped away the other thing is if they uh do have uh insurance if they

6:15:58 have a mortgage and they have to pay for those higher costs they then on a on a fixed income potentially have to tap

6:16:04 into the equity too uh via seconds uh which we're seeing now happen um that

6:16:10 they're taking out seconds to be able to pay for these expenses and so that's not sustainable either and so I am worried

6:16:18 what happens next uh in some of these markets yeah these are these are are are

6:16:24 there are there signs that state governments are there is there anything they can do about this

6:16:29 Doug um well you know states have insurance Commissioners and um if you

6:16:35 listen to the industry they're going to point out situations where they're not allowed to have rate increases which are desperately needed to rebuild Capital uh

6:16:42 when they get them they get them a year or two late and so they're carrying losses forward um so I I think um you

6:16:48 know not to to just point fingers at The Regulators uniformly but there is some serious issue in pricing of insurance

6:16:55 and that pricing is both to provide economic signals for where you should and should not build but also to to

6:17:01 rebuild Capital we're just not seeing that right now sorry I so there's this

6:17:06 one of my favorite papers was done uh using a zra Zillow data set uh but given

6:17:12 to academics and he ASF binstein from the University of Colorado found uh that

6:17:18 home price appreciation had softened in areas where uh there was high salience

6:17:23

for climate change you know and areas where there was climate risk you're like oh the market is avoiding more and more

6:17:30

these spaces in conservative areas that tend to have much lower salience and salience meaning like people understand

6:17:37

that climate change is happening and it will impact them um there was no impact at all to home price appreciation in

6:17:44

areas uh that had uh future climate change risk which means people are continuing to

6:17:50

move irregardless of the risk in a lot of uh

6:17:56

the areas that you mentioned Selma yeah I think that you know people you know you can feel whatever way you feel about

6:18:02

climate change but once when it starts impacting your War it's a different story wall yes

6:18:09

yes um we I want to jump in a minute to questions from our live and virtual audiences so if you have a question

6:18:16

Now's the Time to put it in you can do so via the QR code in your program booklet or using the link in the YouTube

6:18:22

chat um and we'll take our first one here what lending reforms could support

6:18:28

more Adu and accessory apartment construction and Selma since you anybody

6:18:33

who wants to jump in so I'm I'm not an expert of this but I

6:18:38

think there is actually a great paper by Lori uh from Urban uh on this uh exact

6:18:44

question um so I would I would recommend to look it up and Skyler put her hand up so well I I mean so a lot of these like

6:18:51

Adu part of the problem with an Adu is it adds a rental unit which is great for the rental market but it's not an

6:18:57

ownable you know parcelable unit aside um but that said because it's a rental

6:19:03

unit more often like that's the the way that it would be increasing uh the housing Supply if you allowed you know

6:19:10

future rental income uh within your debt to income ratio that could help you

6:19:16

qualify for more of a loan you know and that's probably one of the more obvious ones anytime you're adding anything that

6:19:22

you can rent out um or any kind of like future rent um to be able to get a

6:19:28

construction loan um and you know incorporate the idea that you will be earning income from this unit in the

6:19:35

future is not yet really easy or built in um another question here what do the

6:19:43

panelists see as municipality's role in driving demand for modular building and supporting the industrialized

6:19:49

construction ecosystem municipalities meaning cities

6:19:54

is that what we yeah so Skyler Doug it feels like your question yeah

6:20:00

that they got to do it that's the ones so so the on that's a technology the question is what are you building with

6:20:06

the technology and and for a long time the complaint has been that local land use restrictions are are getting in the

6:20:12

way of building higher density and so if you both built higher density and did it in a technologically advanced fashion

6:20:19

make it cheaper that that's the route to the Future yeah it's the the phrase of

6:20:24

the question that was interesting to say how do you increase the demand I hear in in environmental conferences sometime

6:20:30

they say how do I get people to actually want the green home right um because they have to pay a

6:20:37

little bit more for it and they might not just understand you know the full lifetime Savings of it or whatever else so it's interesting to phrase it that

6:20:44

way like what should municipalities be doing to increase the demand for modular

6:20:49

homes was interesting it's like allow them or increase the fact that people actually want to live in them after the

6:20:55

fact you know I don't it's it's an interesting phrase well can I also just add about that you know it's not so much

6:21:01
about the people want or municipal is should increase the demand there's also

6:21:06
this uh um issue with uh labor um

6:21:14
lobbyist labor construction labor lobbyist and it's like particularly big issue in California it's not talked

6:21:19
about a lot but what is preventing a lot of that Innovation is the lobby right requirements to build a

6:21:26
certain way with yeah and certain certain percentage of locally hired labor and what that Labor uh minimum

6:21:33
wages should be things like that nothing against minimum wages just uh you know you have all of those demands that get

6:21:41
put in front of building modular homes there's a question here that I'll pose but I'm going to add my own spin on to

6:21:47
it uh current interest rates are more than double what a lot of homeowners are locked into uh how do you see this rate

6:21:53
lock Dynamic evolving as the baby boom generation ages further into retirement and the the spin forward I want to put

6:21:59
on this is you know 40% of homeowners don't have a mortgage I'm thinking of my parents they've lived in the same house

6:22:06
since 1986 they paid off their mortgage a couple years ago they're not locked into it with a mortgage but when I think

6:22:14
about what they would be able to buy if they could sell their house they're effectively locked out of trading up

6:22:19
into anything and I don't think this gets a lot of attention we only think of the people who have mortgages but you know a third of people who don't have

6:22:25
mortgages is there an affordability issue there that's also going to keep those people from from moving or trading

6:22:31
up unless they're selling in you know my parents live in Southern California if they want to move to the desert maybe

6:22:36
they can but how is that sort of amplifying this issue yeah we have some interesting new research where we're

6:22:43
matching a seller's name with an eventual purchase and then saying are they moving up or they moving down and

6:22:48
how has it changed over time and pre- rates coming up people moved up you know they your next home You' graduated into

6:22:55
a larger better one um and now you're right it's very hard to move up and so most people when they do make that move

6:23:00
are moving down so you got the Boomers that maybe are downsizing but I I think that's why we're also seeing more and

6:23:06
more of this population aging in place um you know we had a lot of cash out refi you know during the course of the

6:23:12
pandemic to help uh get that uh to work for those uh households and M you know

6:23:17
often uh you know change the house to make it more accommodating to to do that

6:23:22
um and it just um not to get too morbid but we uh generally see that the modal

6:23:30
age excuse me the the Tipping Point age for when you'd be more like likely to go rent than buy you know so that you're

6:23:37
kind of providing that unit for someone else is at 85 that's very yeah right it's much

6:23:44
older than you think you know so Ste steers become an issue things like that yeah yeah so it's much it's much older

6:23:51
this kind of silver tsunami that I think you know it's to coin of you know phrase that people have been using for a while

6:23:56
as far as Boomer kind of um you know no longer being locked in moving on getting

6:24:01
you know uh their housing back into the housing market is actually much later than we think yeah I I would say I like

6:24:08
the way you frame the question because I I think the the sort of over that everyone's overly focused on the rates

6:24:14
right now and that's a short-term phenomenon they're going to normalize at higher than the the sort of post Great Recession zeros but I mean they're going

6:24:21
to normalize and the question is what are going to be the demographic Dynamics and the Baby Boomers are not exiting

6:24:26
it's not rates they're just not exiting at the rate that people expect them to so new properties aren't coming on in the way that so is it just something

6:24:33

that I mean I covered the recovery from 2008 and it just took time I mean it

6:24:38

took a long time and is that the same I mean it's I don't think what we're facing right now fortunately it's not

6:24:43

nearly as dramatic as what we had in 11 and 12 and 13 but it took many years to just grow equity and get out from these

6:24:50

underwater positions and are we looking at sort of a the rest of this decade being a period where we just kind of get

6:24:56

through what happened in 2020 I think so

6:25:02

yeah I mean the the the greatest solution to high prices is high prices because it brings new Supply it just

6:25:08

does it in ways that take too long and people don't like it but last time around I think the impact was much

6:25:14

harder on overall households of all kinds now really who is suffering is non

6:25:20

homeowners cuz homeowners are really fine you know they're paying probably huge wealth effects yeah they

6:25:27

have huge wealth gains and and so they're fine who we should be worried about is people who you know which is

6:25:33

like 40% of population it's not 100% of population like it was last time uh well

6:25:39

this has been a great conversation but I think this conversation it's it's what's standing between us and the bar so we're

6:25:44

going to leave it at that uh please join me in thanking our panelists

6:25:49

and so fun as always and we will thank you very much and we will now hear from

6:25:56

the Ronald Trer Center's executive director Dennis Shay who will provide us with some closing

6:26:01

remarks oh yeah

6:26:13

thank

6:26:20

[Music] you thank you well what a Wonder wonderful panel uh Nick Selma Doug and

6:26:28

Skyler just uh really really entertaining and informative so thank you and Nick is wrong I'm the only thing

6:26:35

standing between you and the bar but but I'll be brief uh you I just want to say

6:26:40

thanks to everyone on behalf of the toer center nbpc uh I want to express my

6:26:46

heartfelt thanks to all our superb speakers and panelists who so generously

6:26:52

uh shared their insights and expertise I also want to thank you uh our audience

6:26:59

both here in person uh and online for spending time with us today uh I've been

6:27:04

energized by the fact that there's broad bipartisan support for closing the gap

6:27:10

between the demand for affordable housing and available Supply we've heard from Administration officials members of

6:27:17

Congress from both sides of the aisle private sector leaders and experts from

6:27:22

a variety of backgrounds who are all committed to this objective uh we also

6:27:28

learned there are many innovative ways to tackle the housing affordability crisis from increasing private

6:27:33

investment to keeping property insurance affordable uh to making it easier to build

6:27:39

manufactured and modular homes so today's Summit would not have been possible without the generous support of

6:27:46

our sponsors and I'd like to take this opportunity to thank the Robert Wood Johnson Foundation the manufactured

6:27:53

housing Institute Zillow Enterprise Community Partners the homeb builders

6:27:59

Institute The Mortgage Bankers Association the National Association of Realtors

6:28:04

the national multif Family Housing Council TD Bank and US mortgage insurers

6:28:10

I also want to express my deep appreciation to the center's key funders Ron toiler of course but also balber

6:28:17

philanthropy the Hilton foundation and Melville charitable trust finally uh I

6:28:24

want to thank the staff of bpc and the toiler Center for putting up with me uh

6:28:30

and for all their hard work over the past uh six

6:28:36

months in organizing this wonderful event and we look forward to uh seeing

6:28:42

everyone at next year's Summit but in the meantime please stay tuned uh into

6:28:47

the toer center's ongoing program we do a lot of stuff and you can find it at

6:28:52

bipartisan policy.org so it is now my pleasure to officially conclude uh

6:29:00

today's proceedings and to invite our in-person audience and may perhaps our

6:29:05

uh virtual audience if possible uh to enjoy our closing reception which is now

6:29:12

just getting started on the fourth floor so please join us upstairs thank you

6:29:43

[Music]

6:30:00

[Music]

6:30:11

for