



STATE & LOCAL GOVERNMENT AFFAIRS COMMITTEE

THOMAS WOODS
2007 Chair

ROBERT FROST
2007 Vice-Chair

MEMORANDUM

To: Prospective Applicants to NAHB's State & Local Issues Fund

From: Tom Woods

Date: February 22, 2007

Re: Issues Fund Guidelines and Application Process (as modified 02/07/07)

Attached are the application form and guidelines for financial assistance from NAHB's State & Local Issues Fund. All applications must come from a local or state builders association and not from an individual member.

Application deadlines are as follows:

Spring Board
Fall Board

May 3, 2007
August 8, 2007

The purpose of the Issues Fund is to provide support to HBAs in order to successfully deal with a legislative, regulatory or ballot issue that has national significance (i.e. national implications beyond the HBA's jurisdiction) or is a common industry problem whose resolution could be precedent setting and might not succeed without financial support from NAHB. It is not designed to support lawsuits, legal challenges or political campaigns for individual candidates. If applications of a legal nature are received, they will immediately be referred to the NAHB Legal Action Committee. No application for campaign contributions to individual candidates will be considered by the State & Local Government Affairs Committee.

Pursuant to the attached guidelines, the State & Local Government Affairs Committee will need a concise statement by the above deadlines explaining the following four points:

1. A summary of the issue's history and current status;
2. An explanation of the issue's national significance or how it could set a precedent for the housing industry;
3. A detailed explanation of the HBA's resources already committed to the issue and why additional support from NAHB is necessary; and

4. A detailed outline of the association's action plan for dealing with the issue and how NAHB's funds will be allocated.

Points 1 through 4 above must be answered in full to constitute a complete application. **If each of these items is not specifically addressed and answered in full, the application will be returned for revision.** Only complete applications will be placed on the agenda of the State & Local Government Affairs Committee.

In addition to the above information, any pertinent supporting information that would be helpful to the committee in evaluating the situation or understanding its background would be appreciated. The best applications are those that explain the facts and the importance of the issue to the national housing industry in as brief yet accurate terms as possible.

Please note that under the attached guidelines, if the association changes its priorities or some extenuating circumstance in the opinion of the Committee renders the issue moot, any unspent funds must be returned to NAHB and any unspent allocated funds shall be withdrawn since their purpose is to try to establish national precedents that would be helpful to the industry. Also note that the Committee will evaluate the issue and the association's resources to determine whether the funds will be deemed a grant, a loan or both. The Committee will look favorably on joint applications from local and state HBAs and those that offer matching funds to the amount requested from NAHB.

If funds are approved, NAHB payments will be made only upon receipt of a detailed expense statement. NAHB funds may not be used to offset HBA staff salaries, HBA overhead expenses, or NAHB staff expenses. They may only be spent on costs directly related to achieving success on the issue, such as studies, reports, consultants, direct mail, polling, etc. Upon receipt of adequate documentation, payments can be made to the HBA or directly to individual vendors at the HBA's request. Funds are available to recipient associations for a period of two calendar years. After two years, the funds are automatically relinquished. NAHB will retain 10% of allocated funding until the completion of the project and until all materials and information have been received by NAHB and approved by the State & Local Government Affairs Committee.

The committee will make recommendations to the NAHB Executive Committee. The Executive Committee will have final approval over all applications for assistance.

In addition, all applicants must have a representative of the HBA in attendance at the Committee meeting to present the application and answer questions, unless other arrangements are made in advance of the meeting.

If you have any questions about the application process, please contact Alex Strong at (800) 368-5242, ext. 8279 or e-mail at astrong@nahb.com

GUIDELINES FOR NAHB'S STATE & LOCAL ISSUES FUND (as modified 02/07/07)

1. Financial assistance is available to provide support to state and local HBAs in order to successfully deal with a legislative, regulatory or ballot issue that has national significance (i.e. national implications beyond the HBA's jurisdiction) or is a common industry problem whose resolution could be precedent setting and might not succeed without financial support from NAHB.
2. Maximum NAHB financial assistance for any single application shall not exceed \$25,000 unless a motion is passed to increase the amount awarded.
3. The applying association shall provide a statement of financial and staff support to the issue and must demonstrate that the HBA leadership and membership are committed to the effort. The NAHB application materials must also include a statement of financial support, both received and projected, from local HBAs (for state HBA requests) or the state HBA (for local HBA requests).
4. If there is no financial support from the local or state HBAs, a statement explaining the reasons shall be furnished. Based on this information, the NAHB State & Local Government Affairs Committee shall determine whether funds allocated shall be a grant, a loan or both.
5. Joint applications from state and local HBAs are strongly encouraged, as well as applications that show at least matching financial support to the amount requested from NAHB.
6. The HBA's position on the issue cannot conflict with any NAHB policies.
7. Requests for assistance must be made by the appropriate state or local association and must be submitted in writing, accompanied by suitable documentation in support of the request. Applications for assistance shall include:
 - a. A summary of the issue's history and current status;
 - b. An explanation of the issue's national significance or how it could set a precedent for the housing industry;
 - c. An explanation of the HBA's resources (financial and staff resources) already committed, resources committed by the state HBA (for local HBA requests) and local HBAs (for state HBA requests), and why additional support from NAHB is necessary for success;
 - d. The amount of money being requested by the association;
 - e. A detailed outline of the association's action plan for dealing with the issue and how NAHB's funds will be allocated.
8. Applications from individuals will not be accepted.

9. After receiving all appropriate information, the Chair or Vice Chair of the State & Local Government Affairs Committee shall present the Committee's recommendations to the NAHB Executive Committee, which shall have final approval over all applications. (See #17 for exceptions).
10. Requests for assistance must be submitted at least 30 days prior to the next meeting of the Committee in order for a recommendation to be made.
11. Any HBA making an application for funds must have a representative present at the meeting of the State and Local Government Affairs Committee to present the issue and answer questions, unless other arrangements are made in advance of the meeting.
12. If the HBA changes its priorities or some extenuating circumstance in the opinion of the Subcommittee renders the issue moot, any unspent funds must be returned to NAHB and any unspent allocated funds shall be withdrawn. If necessary, a mutually agreeable re-payment schedule will be determined.
13. Allocated funds are available to recipient for a period of two calendar years commencing on the date on which the funds are approved. If there are funds remaining after two calendar years, they will be automatically relinquished to NAHB.
14. Any local or state association receiving financial assistance under these guidelines shall, until the issue is settled, provide a written status report regarding the issue to the NAHB State & Local Government Affairs Committee 30 days prior to its next scheduled meeting. In addition, any association receiving funds is required to provide NAHB with copies of any collateral materials developed as part of their overall campaign so they can be made available to other HBAs facing similar issues/situations. Examples of these materials include: opinion polls, research data, reports, marketing/campaign materials, legislation, etc. NAHB will retain 10% of allocated funds until the completion of the approved project and until all materials have been submitted by the recipient association and approved by the committee. The State & Local Government Affairs Committee retains the right to suspend, or revoke, funding if a recipient association does not provide sufficient materials and information to NAHB.
15. If the application is approved, NAHB payments will be made only upon receipt of a detailed expense statement. NAHB funds may not be used to offset HBA staff salaries, HBA overhead expenses or NAHB staff expenses. They may only be spent on costs directly related to achieving success on the issue, such as studies, reports, consultants, direct mail, polling, etc. Upon receipt of adequate documentation, payments can be made to the HBA or directly to individual vendors at the HBAs request.

16. Monies from the State & Local Issues Fund shall not be used to fund lawsuits or legal challenges of any kind. If any application of this nature is received it will immediately be referred to the NAHB Legal Action Committee at the direction of the Committee Chairman.
17. Monies from the State & Local Issues Fund shall not be used to fund campaigns by individual political candidates. No application for campaign contributions to individual candidates will be considered by the State & Local Issues Fund Subcommittee.
18. The only exception for bypassing the Committee review process will be for urgent ballot initiatives. In those instances, all of the same application information must be prepared. The NAHB State & Local government Affairs Committee will be notified and convene via conference call to review the information and make recommendations to the NAHB Senior Officers, who will make decisions for interim funding and then report to the Executive Committee.
19. The applying HBA is solely responsible for any and all reporting requirements, which may apply as a result of receiving monies from the State & Local Issues Fund for taxation and political/campaign/lobbying purposes. In addition, the applying association agrees to provide all relevant information that may be needed for NAHB to comply with any reporting requirements which may apply as a result of distributing monies from the State & Local Issues Fund.
20. All state and local home builder associations seeking State & Local Issues Fund financial assistance related to ballot initiative and referendum campaigns shall confer with NAHB's State & Local Political Operations (SLPO) department and, where appropriate, seek to use SLPO services during those campaigns.

Please answer the following items in full, *using no more than four typewritten pages*:

- A. Explain the history and current status of the issue.
- B. Explain the national significance of this issue/situation or how it could set a precedent for the housing industry.
- C. What resources does the association already have committed to the issue, both received and projected? What financial support has been committed by the state HBA (for local HBA requests) or local HBAs (for state HBA requests). If none, please explain. Why is the additional support needed from NAHB?
- D. Detail the association's action plan for dealing with this issue and how NAHB's funds will be used in that plan. [Note: NAHB funds may not be used to offset HBA staff salaries, HBA overhead expenses or NAHB staff expenses.]

Each of the above items must be specifically addressed and answered in full or applications may be returned for revision. Applicants are also encouraged to submit any supporting information that would be helpful to the Committee. Any supporting information should be unbound, unstapled and single-sided. Please submit this application and all supporting documents to:

Alex Strong, Director
State & Local Government Affairs
1201 15th Street, NW
Washington, DC 20005-2800

Phone: (800) 368-5242, ext. 8279
(202) 266-8279
Fax: (202) 266-8572
Email: astrong@nahb.com