

Jerry Howard: Welcome to Housing Developments. I'm Jerry Howard.

Jim Tobin: I'm Jim Tobin. Hey Jerry.

Jerry Howard: Hey Jim, I trust you had a nice Thanksgiving holiday with your family.

Jim Tobin: I did, stayed local. I was with my in-laws, very nice Turkey Day. How about you?

Jerry Howard: We had the usual gathering of the clan here at my house. It was a good event. A lot of Turkey was eaten, a lot of football was watched. Now we're going to get back into it. We've got a very important conversation here today with a guest that I think our listeners are going to find very interesting.

As Congress gets ready to work, I will predict that they'll work right until Christmas Day to get something done. But after that, they come back and we're in 2022, the midterm elections. Everybody's been watching the forthcoming elections probably since the last election, but we have a real expert with us today. Jim, why don't you go ahead and introduce our guests?

Jim Tobin: Sure. Thanks, Jerry. We're glad be joined today by Tim Persico, who's the Executive Director of the Democratic Congressional Campaign Committee, the DCCC. Tim's a seasoned political strategist with more than 15 years working in Democratic politics and in the government. Tim has worked on campaigns up and down the ballot and across the country. He's also been the Chief of Staff for New York Democratic Representative, Sean Patrick Maloney, who was also the head of the DCCC this year. He's a like, I said, a season campaign strategist and consultant. We're pleased to have you with us here today, Tim. Welcome to Housing Developments.

Tim Persico: Thanks, guys. A pleasure to be here. Thank you for having me. Thanks for all you guys do.

Jerry Howard: We appreciate having you, Tim. I'd like to start off with the first question. That would be to ask you about redistricting and ow you see that as impacting your job, which the listeners are very clear on it, is to not only maintain the current House majority, but to grow the House majority. How do you see redistricting playing into that effort?

Tim Persico: Sure. Redistricting, obviously, cuts both ways. I think that we have been following very closely, been engaged to the degree appropriate in the redistricting comings and goings state by state. I think that all in all, it's about a wash. There are some states that are very aggressive, some states that go for more of a least change model. I think that above all, the greatest challenge that the Republicans have in their redistricting strategies is that we have more voters than they do, so it's hard. Ultimately, it's a challenge for them to be as aggressive as I think they'd like to be. I think that is what constrains them in.

Jerry Howard: In areas where... I know, for example, in Atlanta, there's now going to be a situation where you're going to have two current sitting members of the House, current Democrat sitting members of the House, going against each other in the primary. What will you guys do in those situation? I think perhaps more importantly to our listeners, what do you advise the business community to do?

Tim Persico: In scenarios where our members are drawn together, we don't do anything. We are first and foremost, a member driven organization. It would be improper for us, I think, to get involved in those sorts of scenarios. I think it is, ultimately... The example of Georgia is a good one. I think ultimately, it's unfortunate that is happening because in the state of Georgia, you've got a great population growth. It's being primarily driven by communities of color, and those communities are not going to be appropriately represented if this map stands. You have these two phenomenal members of Congress who are really good. They're really hard working. As you mentioned in the introduction, I worked as a Chief of Staff on The Hill for awhile.

I worked for a member who was pretty bipartisan and who was really results oriented, still is, Sean Patrick Maloney, and a guy who works really closely with your members in the Hudson Valley of New York. I think he has a reputation for... He's a Democrat for sure, but he's incredibly action oriented, results oriented, like, "Let's get the job done. Let's do the best work we can for the folks we represent." I think that's appropriate. That's the right way to be. I think that is Lucy McBath and that is Carolyn Bourdeaux. They're really results oriented. They're really hardworking. They win tough elections and competitive seats.

What is happening because of the extremely partisan map that's being put forward in Georgia is you're going to be deprived of at least one good member of Congress, not to mention the possibility of many more. Ultimately, that's a real shame. But in answering your question, in those situations, we typically sit out. I think that for your members, I think it's really hard for me to say. I think, obviously, everybody has different relationships and that seat is very Democratic. If it isn't changed by a court, whoever wins that primary is coming to Congress.

Jerry Howard: Tim, a question for you on the impact of the Virginia Gubernatorial Race. Then, of course, the New Jersey race. Two starkly different races. One is an open seat, one is a sitting incumbent. I've always thought that you risk over-reading those two races, as well as the risk of under-reading them too. A lot has been written in the last month about those two races and shock waves they sent across Washington DC.

Tim Persico: Sure.

Jerry Howard: Tell me what your take is, especially with your frontline members in particular. For our listeners, the DCCC frontline members are the incumbents in Congress now, Democratic incumbents, that probably need the most protection. I guess

that would be the way to say it, but ones that you all want to make sure are returned to Congress. A little bit of those governor races and what they mean for you [crosstalk].

Tim Persico:

What I love about those kinds of elections, I'm a Pennsylvania guy, grew up a Philly, everything Philly fan. I love the Sixers. There's a podcast that I listen to. They have a saying, which was, "It only counts if we win." That's how I feel about those elections, is they all only count if you win. If you don't win, then they don't count. I think there's a bunch of, as you said, Jim, overlearning. That's not to say that there's not important lessons, but I think it is a mistake to look at single, one-off elections and say, "That is indicative of what's coming next." But I think proof is in the pudding there in that 2020 was... There was not a clear and decisive victory for the Democrats like you would've thought.

But governor races are weird. The three most Democratic states in America by Joe Biden margin are Vermont, Massachusetts, and Maryland. You know what else they have in common? They all have Republican governors. Meanwhile, Democrats are sitting in governor's mansions in Kansas, and like I said, Kentucky and Louisiana. Governor's races are not... Like I said, there's something to take from it, but I shouldn't overlearn it. That's it. I think we did see some trends that we're following closely. I think there's an incentive to have the most interesting take on Twitter. Sometimes that reading can be overtaken in time by learning more about who actually voted. Where were the votes coming from? What was the strength??

When we did exit interviews, what did the people say [inaudible]? It turns out sometimes it's not exactly what Twitter said it was. I think ultimately, elections are really nuanced. All of that said, I think that we are laser focused on the lessons we can take from it, which frankly, are not that different from the lessons we learned in 2020. It makes us feel like we're probably on the right track. Also, something that I will mention or I will point to is oftentimes, federal special elections can indicate directionally the ultimate results in the on-year election. We saw this in 2018 where Democrats dramatically over-performed. Basically, if you were on a ballot, you were going to do pretty well as a Democrat, particularly in special elections for Congress. We saw in 2019 lead up to 2020 a little bit more of a mixed bag. It wasn't so clear one way or the other, which I think is ultimately what 2020 was.

So far this cycle in 2021, when we've had elections where it's been a Democrat versus a Republican, not a jungle primary, which is what they call it, the Texas situation or stuff like that. We've had Democrats versus Republicans in competitive or not competitive seats, the election results have largely matched the Biden/Trump performance, very little difference, maybe very slight under performance or over performance in either direction, but not a clear trend line, which I think is fine. It's not the gloom and doom scenario that you heard from Virginia. The same night that those state elections happened, we had two special elections in Ohio, one in a very Democratic place, one in a very

Republican place. The results were basically mirror images of the presidential. All of that to say, I think you need to take a lot of this stuff into account. We certainly are. We're not dismissing anything just because we don't like the results. But I do think there was a bit of an overreaction to the off cycle elections.

Jerry Howard: Tim, you mentioned that you're focused like a laser. You've got a lot of elections going on. Do you and your team work and try and stay in contact with every one of your candidates' individual campaign machines? Do you try and tailor the messaging individually to each one? Or is it strictly a party line message? I ask that because there seem to be great variances in the political philosophies of a lot of the Democratic candidates right now.

Tim Persico: Yeah, we do work with everybody individually. I think we have focused on helping put together a team that is diverse in experience and background so that we have a good set of viewpoints to provide our members and our candidates. One of the key lessons that I have learned over the last however many cycles is there are huge macro forces in play. This is true of any industry. It's certainly true of politics. It didn't matter how good the home was that you built in 2008, you were going to have a hard time selling it. Sometimes it's just the force of nature overtakes. That's certainly true, but it's not usually like that. Usually, it's somewhere in between, somewhere in between the housing market of 2004 and the housing market of 2009. Usually it's actually not like that.

I think the same is true of politics. There are macro forces at play. We have a more partisan electorate than ever before, maybe not ever before, but certainly more than in recent history. There's less ticket splitting than before. That's all certainly true. However, elections are won... The House of Representatives and the Senate, those... I mean the White House. But in Congress, it's won seat by seat, candidates really matter, and personal stories really matter. An individual message that's tailored to the group of people that you're trying to reach really matters. While the baseline conversation will always be informed by the the national environment, what's happening in Washington, what's happening in state capitals. That is true. That will always be driven by the national conversation. Individual conversations, individual message is critical to victory.

I think that the Republicans are really counting on some macro forces at play. That's totally reasonable, a totally reasonable approach. But you still got to win all those seats. Our members are... The folks who are in these districts are the most accomplished, the hardest fighting, best candidates that we have. These are the pros' pros. This is the all pro team. I think it is a mistake to lean too heavily on the national environment.

Jerry Howard: Tim, one of the maybe macro effects that are out there that certainly, I think, help the majority is the passage and enactment of the infrastructure bill, the biff or whatever we're calling it now. But certainly the infrastructure portion of the President's Build Back Better plan. A big win, it's something NHB supports and

Imagine Constituents like roads and bridges that work, transit and trains. We're an industry that's affected by the supply train, whether it's getting the trucking industry moving again, whether it's getting the ports, all this good stuff. Hopefully over the next three weeks, we'll see the third piece. If Covid back in the Spring being the first part of the President's plan is the culmination of the Build Back Better plan with the social infrastructure bill, talk a little bit about the impact that federal legislation will have on your candidates and their ability to retain the House majority next year.

Tim Persico: I think it's critical. I'm not just saying that. We've got research that shows that. The component pieces of the infrastructure plan and Build Back Better are all wildly popular among voters across all spectrums. That's been born out by a lot of other people's research as well. I think what comes now is telling people what happened, making sure that our members go out and communicate to their voters, "This is happening because of what we did. We did this thing." To your point, it's really useful when you can stand front of a bridge or a dam or a project, and point to, "This is happening," or, "This will happen because of the work of members of Congress, in some cases, state and local folks, and the President of the United States." All of these things are interconnected and they will lower costs for people.

They will ease supply chain problems. Supply chain issues, again, as you guys know, if you can get material from point A to B to C to D to market a lot faster, you can make more things in America. You can reduce costs along the production life. I think what we need to do as a party is make sure we go out and tell them and make sure we go out and communicate with folks in a way that makes it clear that we are taking things that are affecting them seriously, and we're doing something about it. "We're delivering on the promises that we made. Here's how it's showing up in your lives." think that's the key, be big, be simple, show up in people's lives.

Jerry Howard: It makes perfect sense. You said sometimes complicated gets in the way. We certainly appreciate you coming on, Tim, today and taking time to visit with us and our listeners to explain a little bit about what you see. We're just under a year out now with the midterm election, still some more legislating left to do here in 2021.

Tim Persico: I just want to say, again, I appreciate you guys having me on. I think I'm going to say it a third time, so sorry. But a lot of my experience was on The Hill, but more importantly, was working in a community like the Hudson Valley. Some of the best partners I had were the home builders. Home builders in conjunction with the building trades because that's the New York way, got together and they were some of Sean... Were and continue to be some of Sean Maloney's closest allies because they've matched the way that he views this. It's just about the work, honestly. It's about getting the things done. All the other stuff can be distracting, can be more dramatic, more interesting. But ultimately, it's just about getting things done.

We got to figure out how to see through the nonsense and work together to get things in the ground, to get shovels in the ground, to get structures put up, to get buildings in place. It's always been a real pleasure to work with you guys. Again, especially in the Hudson Valley, I think it represents what politics could be. Folks, they don't agree 100% of the time, but they do agree about 80% of the time. That's pretty important. They've chosen to focus on the 80%, on what sometimes happens down here, we focus on the 20%.

I think we could do for a little more of the spirit you guys exude. I think that's what the Democrats have been showing this Congress, a focus on delivering instead of dividing, a focus on the work instead of the nonsense. I think ultimately, that'll matter and that'll count. When you show up in November with nothing, no plans and just a bunch of nonsense, I think it's really hard to make the case against people who are standing in front of a bridge. I like our chances.

Jerry Howard: Tim, you certainly are a lot more optimistic than you were quoted as being back in the summertime, where you delivered a pretty blunt message to your caucus. Clearly, the work that you're putting in is making you feel a lot better about that.

Tim Persico: Jerry, I do want to say that quote in the summer was about... When I was a kid, I was an athlete. One of my coaches would look at my face and say, "Timmy, listen. I called over and they can't move the race to today. It's still next week." That's the spirit that we're bringing to this, we have to be honest and say, "Guys, we got to get in gear. We got to pass this infrastructure bill. We have to pass this legislation. Then we have to go out and talk about it because if we do, we will win. If we don't, we will lose. It's just that simple." I think that has been the message that we've been trying to put forward. Even after the Virginia and New Jersey, our election's still next year. That wasn't great, but our election's still next year.

Jerry Howard: I agree with you. I think it's going to be a close election come next Fall. We look forward as home builders to continue working with people of both parties who find that housing has an important role to play in our economy and in the fabric of our society. We're grateful for all that you've done for us. We look forward to continuing our partnership going forward. Thanks for being with us, Tim, and happy holiday season.

Tim Persico: Happy holidays, guys.

Jim Tobin: You too. Happy holidays.

Jerry Howard: It is very interesting to hear Tim Persico and his views on things. He's a straight talking guy. The interview that I was referring to happened back in August. I gather that their chairman, Maloney, called the Democratic caucus together and Tim Persico delivered just the message that he did with us. If they pass legislation, they'll win. If they don't, they won't. We're going to be watching

what you and your team are doing up on the Hill pretty closely. Do you think that this social package will pass as it currently stands or even in a modified way prior to them going home at Christmas?

Jim Tobin: Yeah, Jerry. I'm going to stick to what I've been saying the whole time. I think they get this done this year. There's been some reports about Senator Mansion. He's on his own timetable. He wants to modify it. I do think it gets modified in the Senate. Maybe this passes in January or February. He's in no rush. I still like that the odds are better they get this done before Christmas than not. I'm going to stick with that. We'll see if it rolls into next year, but it gets more complicated once you get into 2022.

Jerry Howard: I agree. The other point that Tim made is an interesting one. He talked about three of the most Democratic states in the union having Republican governors. I happened to read probably the same poll he read this weekend. What he didn't mention, but what bolsters his point about bipartisanship is that those three Republican governors are the three most popular governors in the country. You're talking about Phil Scott in Vermont, Larry Hogan in Maryland, and Charlie Baker in Massachusetts. They have the highest approval ratings of any governors. What do you make of that?

Jim Tobin: One of Tim's themes is about getting something done. His boss, Sean Patrick Maloney, was about getting something done. Taking 80% of something's always better than 0% of everything. I think that you have in those three governors in particular, they have to work across party lines because their constituencies are largely Democratic. Their statehouses are largely democratic. If you're going to get something done for the citizens of those states, you've got to compromise. Everybody gets a little bit of something, but nobody gets everything that they want. That I think is lost in Washington DC and has been for the last several years, more than several years. The parties have gotten more and more polarized, even from the top of the tickets on down, all the way to members of Congress.

The wings of the party are controlling the leadership in a lot of ways. The progressives in the House held up the infrastructure bill for months. It really wasn't until after those two close elections in Virginia and New Jersey. Despite Tim's thought that the governor races are weird, that sent a shockwave through Washington DC and, actually, finally got that infrastructure bill over the line. We'll see what happens with the social infrastructure package. That's another fight with two moderates and progressives. But I think that those governors in those states, they've got to work hard. That makes them really popular because their citizens see that.

Jerry Howard: Jim, it's not lost on me that Tim's boss... He was Chief of Staff for Sean Patrick Maloney. Now Maloney is the Chairman of the Democratic Congressional Campaign Committee. Maloney is a member of the problem solvers caucus. One of the moderate Democrats like our friend that our listeners know of, [Josh

Gotheimer], who try to work across party lines. I don't think it's a coincidence that speaker Pelosi on the Democratic leadership put a moderate, a bipartisan a guy like Maloney in charge of that Congressional Campaign Committee. I think it was a brilliant move. If they do hold onto the House, I think that'll be the reason why.

Jim Tobin: Yeah, agreed. I think if the groups like the problem solvers can actually be given the credit for the work that they've done, and they're starting to get more of that, I think that helps both parties. You've always said this, housing does better when it's right down the middle. The problem solvers are in that vein. We'll see what happens over the next couple of weeks here.

Jerry Howard: We sure will. Listeners should be aware that because we are a bipartisan organization, that our next podcast will be a similar conversation with Tim's counterpoint at the Republican House Congressional Campaign Committee. We'll give you the other side of the story. In the meantime, ladies and gentlemen, Jim and I both want to encourage you to register for the IBS. It's going to be a great show. Registration is going incredibly well. Builders want to get back together in-person, share ideas, share some stories, share a couple of drinks, and we're going to do that February in Orlando. Jim and I are both going to be there.

Jim Tobin: We'll be there. I can't wait.

Jerry Howard: In the meantime, thanks for listening to Housing Developments. I'm Jerry Howard.

Jim Tobin: I'm Jim Tobin. Take care.

Jerry Howard: Bye.