



July 24, 2023

The Federal Housing Finance Agency  
Office of Multifamily Analytics and Policy  
400 7th Street, S.W.  
Washington, D.C. 20219

To Whom it May Concern in the Office of Multifamily Analytics and Policy:

Our company is one of the largest multifamily housing providers in the United States. Over our 40 year history we have built more than 280,000 residences, creating vibrant and amenity-rich communities that our residents are proud to call home. We operate in 16 US markets and manage over 10,000 apartment residences.

We take our responsibility to our residents seriously and strive to create thriving communities and successful resident experiences. As such, we appreciate the importance of federal, state and local laws and regulations already in place that create rights and responsibilities for rental housing residents and providers.

As a multifamily housing provider, resident rights are a critical part of the rental housing system and we are committed to providing safe, quality housing at a fair price for renters in our communities. As such, we caution against any FHFA efforts that could increase the risks associated with using Enterprise programs or limit broader housing availability and affordability goals, especially at this time of market uncertainty.

It is vital that FHFA remain focused on the Enterprises stated mission which is, "to serve as a reliable source of liquidity and funding for housing finance and community investment."<sup>1</sup>

### **Importance of Enterprise Capital Availability**

Many factors influence the ability of the multifamily housing industry to meet the nation's growing demand for rental housing, but the availability of consistently reliable and competitively priced capital is the most essential.

The Enterprises' multifamily programs serve a critical public policy role and ensure that multifamily capital is always available in all markets, so that multifamily housing providers, like us, can address the broad range of America's housing needs from coast to coast and everywhere in between.

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<sup>1</sup> About FHFA | Federal Housing Finance Agency "Mission", available at <https://www.fhfa.gov/AboutUs>.

We have seen evidence of the negative impact of current market conditions on multifamily housing finance and development including capital markets dislocation and increased regulation—causing many in our industry to cut back significantly on new apartment construction. The actions contemplated in this RFI would impose confusion in the market and increase market uncertainty. This in turn would deter much-needed investment in housing supply and increase costs for housing providers and residents alike.

### **Rental Housing is Largely a State and Local Issue**

The relationships between multifamily housing providers and residents, the communities we serve, and the broader housing market are governed by layers of federal, state and local statutes, case law, regulations, and private contractual agreements—all providing specific rights and responsibilities. This includes building codes; contractual notices and disclosures; fair housing; eviction processes; consumer reporting and debt collection laws; and enforcement provisions to guard against fraud and abuse. Lease agreements outline the rights and responsibilities between residents and housing providers and are enforced by state and local courts.

Given that our policies and operations are largely governed by state and local laws and regulations based on local real estate market conditions, any one-size-fits-all new “protections” will undoubtedly lead to misaligned requirements that do not account for the unique housing needs of each of the communities we serve, nor other communities in dire need of affordable housing opportunities.

### **Rent Control and Other Price Control Measures Have Been Repeatedly Proven to Limit the Supply of Rental Housing and Increase Costs**

America’s renters and multifamily housing providers share the larger goal of addressing housing needs nationwide. Rent control research, however, has proven repeatedly that rent control is a failed policy that does nothing to get at the root of the challenge—our nation’s lack of supply. In fact, while rent control and rent stabilization laws purport to improve housing affordability, they often have exactly the opposite outcome and lead to increased costs and a reduction in the available supply of rental housing.

Layered on top of the aforementioned concerns are the many complexities that would result if a federal agency attempted to make broad assessments about rent at the federal level without input from local or state officials per applicable jurisdiction. Local rent control initiatives in markets such as Northern California, Los Angeles and New York City have deterred investment from our firm and other national developers and exacerbated the shortage of affordable housing that exists in these locations. We would expect to see limited investment in other markets if the FHFA were to institute rent regulations at the national level. FHFA should avoid any type of rent regulations, including rent control, rent stabilization or pricing policies as they would harm national affordability goals by deterring investment in much needed housing production, including the Enterprises’ backed secondary mortgage market.

## **Federal Policies Should Target the Root Causes of Eviction, As It Is Almost Always a Last Resort**

Evictions are a troubling experience for all parties involved, thus it is a last resort for us as housing providers. Private, public and non-profit rental housing providers engage in the eviction process as their only legal remedy to remove a resident who has breached the lease.

We seek to mitigate evictions, as was most on display during the COVID pandemic, by first working with affected residents on payment plans and connecting them with social services. It is our philosophy that it is always in all parties best interest to work towards an alternative solution to non-payment of rent prior to pursuing eviction proceedings.

While most evictions are premised on non-payment of rent, other causes include lease violations, fraud during the application process and other criminal activities. In these cases, evictions are essential in ensuring the safety of our communities and residents.

### **Conclusion**

We share the Administration's commitment to addressing the affordable housing crisis in our nation. However, imposing additional obligations for Enterprise multifamily borrowers will create instability in an already challenged market and undermine the important goals of fostering a healthy housing market, increasing supply and creating successful apartment communities. Inherent in ensuring stability for our nation's renters, is maintaining the current and future viability of the rental housing supply in this country. As such, respectfully, FHFA should refrain from placing new or expanded federal obligations on private rental housing providers and instead focus on leveraging federal resources in the form of incentives to bolster new affordable housing supply.

Sincerely,

***Kevin Dinnie***  
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Kevin Dinnie

Chief Operating Officer

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