

Comment to the Federal Housing Finance Agency from the City of Shelbyville Safe and Affordable Housing Committee

July 25, 2023

As a formally-appointed committee of the City of Shelbyville in Bedford County, Tennessee, we send this comment as part of the Request for Input from stakeholders regarding potential tenant protection regulations attached to federally-backed loans in the affordable housing market.

Members of the Safe and Affordable Housing Committee spent the month of July studying the scope and impact of FannieMae's federally-backed mortgages in Bedford County, Tennessee's rental market, and talked with dozens of residents currently living at 3 housing complexes in our town whose owners bought them using federally-backed loans.

According to our research through the FannieMae Investor Portal, 4 different complexes have been purchased by out-of-town landlords in the last 10 years in Shelbyville:

- **The Ridge**, at 260 Anthony Ln in Ward 2, which was purchased by an Arkansas-based corporation using **\$1 million in Fannie Mae financing** in 2014.
- **Oak Knoll**, at 1304 Union St in Ward 5, which was purchased by a Nashville-based LLC using **\$1.85 million in Fannie Mae financing** in 2016
- **Admiral Place** (aka Stone Brook), at 301 Ligon Dr in Ward 2, which was purchased by a Maury County-based LLC using **\$3.5 million in Fannie Mae financing** during the height of the pandemic in 2021.
- **Bedford Manor** (aka Canterbrook), at 400 Barkdsale Ln in Ward 2, which was purchased by Southern California-based billion-dollar corporation WNC & Associates **with \$10.5 million in FannieMae financing** in the height of the pandemic in 2021.

These 4 complexes constitute **284 units** of low-income housing, purchased using a combined **\$16.85 million** in taxpayer-backed loans. These units, with a resident population of approximately 1,000 individuals, constitute an enormous proportion of the Shelbyville rental housing stock.

In order to respond to the Federal Housing Finance Agency's request for input from stakeholders about what rules should be implemented to protect renters in these complexes, we spoke with dozens of current residents in these complexes, who submitted their own comments directly to the FHFA. Residents told us overwhelmingly that they feel landlords using federal financing should have limits on rent hikes, be required to do basic repairs, and be prohibited from retaliating against residents who speak up.

In addition, many residents were unclear as to **who exactly owned** (and thus are ultimately responsible for conditions in) their homes, since many out-of-town landlords obscure ownership using LLC's and contract out management of their housing complexes to a rotating series of management companies with little incentive to maintain humane conditions.

We thus formally request that the Federal Housing Finance Agency enact renter protections applicable to all federally-financed housing which:

1. Limits how much landlords can raise the rent each year
2. Requires landlords to do repairs and provide liveable conditions specified in a clear publicly-available lease agreement
3. Bans landlords from retaliating (i.e. through threats, punitive charges, or evictions) against residents who speak with federal regulators, make complaints to local codes departments, or speak publicly about the conditions in their housing complexes.
4. Establish a Landlord registry including the name and phone number of the owner.

We understand this comment to be our best expert opinion as the city-wide committee appointed by the Shelbyville City Council to investigate the conditions of renters in our community, but this comment is not made on behalf of the City of Shelbyville as a whole. We will be requesting that the City of Shelbyville adopt our comment in a formal resolution in its next session.

Passed unanimously on July 25, Shelbyville Safe and Affordable Housing Committee