



July 28, 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 a regional developer and operator of high-quality rental apartment communities in Indiana, Kentucky, Missouri, and Kansas. Our principals have developed over 14,000 units in our 35-year career together, and serving as a respected provider of housing options for our growing communities has been a great source of pride for the principals of Cityscape.

We take our responsibility to our residents seriously and work daily to create outstanding 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.

We are opposed to any FHFA efforts that could increase the risks associated with using Enterprise programs or limit broader housing availability and affordability goals. We believe deeply in the role that rental apartments play in the range of housing options available in our communities. 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."

**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, and a key factor in our country's success in creating a vibrant pool of rental housing.

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 provide new housing.

We have seen evidence of the negative impact of current market conditions on multifamily housing finance and development—causing we and others 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 suppress new housing and thus increase costs for both housing providers and residents.

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

The Midwest is very different than the coasts and the high-growth Sunbelt markets. One-size-fits-all federal-level requirements would inevitably lead to misaligned priorities, given the very different natural of local housing markets. This mismatch would damage local housing production.

**Rent & Price Control Measures Have Been Proven to be Counter-Productive**

Time and time again, economic markets have proven that enabling new supply is the answer to affordability, rather than regulation. Researchers have 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, rent control and rent stabilization laws actually lead to increased costs and a reduction in the available supply of rental housing.

Layered on top of these 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. 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**

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. While most evictions are premised on non-payment of rent, other causes include lease violations, fraud during the application process and other criminal activities.

**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,



James E. Thomas, Jr.  
Principal & Co-Founder



Brian K. Cranor  
Principal & Co-Founder



Derrick Cranor  
President