



**Re: FHFA Request for Input, Tenant Protections**

**Via Electronic Submission**

The Honorable Sandra Thompson  
Federal Housing Finance Agency  
Washington, D.C.

July 28, 2023

Director Thompson,

Thank you for the opportunity to provide feedback on the Federal Housing Finance Agency (FHFA) Request for Information on tenant protections. Olympia is Washington State's capital city, with about 55,000 residents, located approximately 60 miles south of Seattle. Olympia is a predominantly renter city (53%) where most renters (67%) earn under 80% of Area Median Income. The City of Olympia urges FHFA to take bold action to create clear, strong, and enforceable renter protections for households living in rental properties with federally backed mortgages. Given the broad reach of FHFA's work, any renter protections created by FHFA should cover a significant share of renters across the nation and put America on a pathway towards stronger protections for all renters.

Federal renter protections are critically needed to address the power imbalance between landlords and renters that puts renters at greater risk of housing instability, harassment, and homelessness and fuels racial and gender inequity.

To help ensure greater housing stability, FHFA should create new renter protections for households living in properties with federally backed mortgages, including:

1. Source of income protections to prohibit landlords from discriminating against households receiving rental housing assistance such as Section 8 Housing Choice Vouchers, or Supplemental Security Income (SSI), or local rental assistance, so that families can have greater choice about where to live.
2. "Just cause" eviction standards, which limit the causes for which a landlord can evict a tenant or refuse to renew a tenant's lease when the tenant is not at fault or in violation of any law.
3. Rent gouging protections to stop landlords from dramatically and unreasonably raising rents.
4. Prohibit or limit excessive 'junk' fees (ex: application fees, holding fees, cleaning fees, service of notice fees, late fees).
5. Requirements to ensure housing is safe, decent, accessible, and healthy for renters and their families.
6. Limit the impact of credit history, eviction record and criminal records used in tenant screening.
7. Incorporate a tenant or community to purchase for buildings with FHFA-backed mortgages.
8. Creation of a Right to Counsel program in eviction proceedings.
9. Creation of an Office of Tenant Protections.

Washington State has implemented Right to Counsel in eviction proceedings and Just Cause eviction standards, which helps tenants maintain housing stability, and should be applied at the federal level. At the root cause of most evictions is an inability to pay rent, in a market where rising housing costs are outpacing household incomes. Washington State prohibits rent control. Olympia's highest priority for FHFA is to enact rent gouging

protections or rent stabilization policies that are tied to reasonable measures (such as the consumer price index). In the past five years, average rents in Thurston County have increased approximately 47%. From 2021 to 2022 alone, average rents increased about 31%. In that same time period, median household incomes increased about 2%. When adjusted for inflation, Thurston County's estimated median household income has been decreasing since 2020. Thurston County's median household income in 2022 is 8% lower than the 2020 estimate.

According to a recent survey, source of income discrimination is the most common form of discrimination experienced by Thurston County residents. Source of income protections are not included in fair housing laws, so there is no administrative enforcement agency to investigate discrimination complaints. Legal protection and enforcement at the federal level would limit discriminatory practices and increase housing choice for voucher participants.

Nearly all tenant protections in Washington State are tenant-enforced. Many tenants do not have the time, funds, or ability to pursue legal action to enforce these policies on their own. An outside agency or enforcement authority would lift the burden for tenants to enforce their legal rights. Creation of an Office of Tenant Protections would help address the imbalance between renters and landlords' ability to access legal resolution.

Many low-income tenants face compounding barriers in accessing and maintaining housing. Marginalized community members are often at the greatest disadvantage. Data indicates that people of color are more likely to have no credit history or low credit scores, which exacerbates housing disparities<sup>1</sup>. Disparities in the criminal justice system are well-documented and overly broad criminal history screening policies have been acknowledged by HUD as having a disparate impact on people of color<sup>2</sup>. Households often spend their savings on application fees, only to be rejected. A community member who responded to a recent City of Olympia survey about local housing challenges stated:

*'Due to the continually higher cost of application fees I feel a lot of landlords who see any risk use that standard to keep the fee and deny the applicant much more often now days. I have spent well over \$400 in just application fees and have been denied multiple times due to lack of credit. After 3 months of looking for a place to live I am now sleeping on the sidewalk.'*

Another survey respondent shared the experiences of a friend who was transgender and died by suicide, after experiencing housing discrimination, homelessness, and rejection of rental applications due to her credit history. This community member felt she was being treated differently by apartment management and experienced harassment by other residents due to her gender identity. The landlord decided not to renew her lease agreement. She and her friend (survey respondent) attempted several times to get assistance through local service organizations and she was able to receive support through several local organizations but not to locate housing. She was receiving assistance to help pay rent but struggled to find a housing unit because her applications were rejected due to credit history (she had recently been through cancer and a divorce, which negatively impacted her credit score). Local organizations provided temporary hotel vouchers, but those ran out and she knew homelessness was coming. Even with rent support and disability income, she was not able to locate housing.

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<sup>1</sup> [https://www.urban.org/sites/default/files/publication/101160/explaining\\_the\\_black-white\\_homeownership\\_gap\\_2.pdf](https://www.urban.org/sites/default/files/publication/101160/explaining_the_black-white_homeownership_gap_2.pdf)

<sup>2</sup> [https://www.hud.gov/sites/documents/HUD\\_OGCGUIDAPPFHASTANDCR.PDF](https://www.hud.gov/sites/documents/HUD_OGCGUIDAPPFHASTANDCR.PDF)

July 28, 2023

Page 3

We urge FHFA to take bold action to implement mandatory, standardized protections – paired with strong enforcement – for all households living in properties with federally backed mortgages, including larger developments and smaller properties. FHFA must continue to engage tenants and directly impacted people throughout its process of establishing and implementing renter protections, and protections must be centered on racial and social equity as explicit goals. These protections– along with to large-scale, sustained investments and anti-racist reforms – are necessary to ensure that everyone, including the lowest-income and most marginalized renters, have a safe, quality, affordable, and accessible place to call home.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rich Hoey', with a stylized flourish at the end.

Rich Hoey  
Assistant City Manager