



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 owns and manages 819 rental apartments in the Portland, Oregon metro area. These are primarily “work force” types of units – quality buildings and locations but at rent levels affordable by many people.

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 that make rights and responsibilities for rental housing residents and providers.

We train annually with the premier Fair Housing association in our area. We also include Fair Housing training in our new employee onboarding system. On a personal level, I am committed to abiding by fair housing laws after experiencing blatant housing discrimination while living overseas.

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

FHFA must remain focused on the Enterprises’ mission: “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. Still, 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 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.

We have seen evidence of the negative impact of current market conditions on multifamily housing finance and development—causing many in our industry to cut back significantly on new apartment

construction. The actions contemplated in this RFI would impose confusion and increase market uncertainty. This would deter much-needed investment in housing supply and increase costs for housing providers and residents.

We have already seen this in our area after the City of Portland passes complex, burdensome rental regulations. Some small, local owners have converted their plexes to for sale housing, decreasing the available rental supply.

### **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 primarily 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 repeatedly proven 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 stabilization laws purport to improve housing affordability, they often have the opposite outcome and lead to increased costs and a reduction in the available supply of rental housing.

Layered on top of the concerns above are the many complexities that would result if a federal agency attempted to make broad assessments about rent at the national level without input from local or state officials per applicable jurisdiction. FHFA should avoid any 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.

Oregon imposed statewide rent control two years ago and further tightened its range this year. Some buyers and capital providers are no longer interested in entering Portland’s market. Even local investors are reassessing their appetite for taking on the risks that rent control introduces.

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

We often seek to mitigate evictions by working with affected residents on payment plans and connecting them with social services.

During the pandemic, we set up a rent relief fund and payment plans for residents who lost employment due to COVID's economic effects. We were successful in keeping many residents in their apartments, which was a win for them and for owners. Local and federal restrictions on eviction did harm us significantly, however. We lost approximately \$500,000 in rent due to people taking advantage of the eviction moratoria and then leaving without paying rent. Surprisingly, our greatest losses came from more well-to-do residents who gamed the system to run up enormous balances.

Eviction is never a process we want to engage in. However, we need the ability to expeditiously reclaim possession of an apartment if the resident fails to pay rent or is violating other terms of their lease. This protects both our property and other residents' quiet enjoyment of their homes.

### **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 critical goals of fostering a healthy housing market, increasing supply, and creating thriving 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 national resources as incentives to bolster new affordable housing supply.

Sincerely,

A handwritten signature in black ink, appearing to read 'Malcolm McIver', written in a cursive style.

Malcolm McIver, President