



Sandra Thompson, Director
Federal Housing Finance Agency
400 7th St SW, Washington, D.C. 20024

July 28, 2023

Re: Tenant Protections for Enterprise-Backed Multifamily Properties Request for Input

Dear Director Thompson,

Thank you for the opportunity to provide input on the urgency of tenant protections in properties with federally-backed mortgages.

We are writing on behalf of Tenants Together, a California state-wide coalition of tenant organizations dedicated to defending and advancing the rights of California tenants to safe, decent, and affordable housing. As California's only statewide renters' rights organization, Tenants Together works to improve the lives of California's tenants through capacity-building, movement-building, and statewide and federal advocacy.

For nearly 15 years our organization has been on the frontlines of the housing crisis. Especially since the subprime mortgage crisis in 2008 and following, we have seen the consolidation of the residential real estate market in fewer hands. This monopolization of the market has led to widespread abuse, displacement, and homelessness. We understand housing to be a human necessity—a human right. When housing is primarily an investment vehicle for massive corporations, the result is what we see today.

This is why we are hopeful about the prospect of federal intervention to stop price gouging and displacement.

As you well know, housing costs are American households' single largest monthly expense, and the rental crisis is threatening people's ability to live safely. In 2021, the Census Bureau estimated that 20.1 million renter households spent over 30% of their income on rent. This is an increase of one million households over 2019 levels. Clearly, our current housing market fails to meet the affordability needs of many Americans. In 2023, the [average hourly wage](#) needed to afford a one-bedroom apartment in the US was \$23.67. With a shortage of truly affordable housing, tenants are left with few options.

In California, homelessness is on the rise. As emergency pandemic protections for tenants have expired, eviction filing rates have not only returned to pre-pandemic levels in Los Angeles County, but have exceeded those levels. In June 2023, the homeless count results showed that homelessness increased by 9% in LA County and 10% in the City of Los Angeles year-over-



year. In Sacramento, [homelessness has nearly tripled](#) between 2017 and 2022.

Government Sponsored Enterprises like Fannie Mae and Freddie Mac work with banks to offer \$150 billion to landlords in financing every year, without any strings attached. Their portfolios encompass over half of the rental market. As the regulator of these agencies, the FHFA should intervene to protect tenants and condition federal financing on a basic set of protections. With that in mind, we recommend that FHFA make the following policy changes as a result of this rulemaking process:

- **Rent regulations:** Protect tenants from and limit egregious rent hikes. The FHFA should limit annual rent hikes to 100% of the Consumer Price Index or 3%, whichever is lower, in Enterprise-backed properties. These rent increase limits should be applied universally and as a requirement. Limits on rent increases will protect tenants from eviction and/or homelessness by creating a schedule for reasonable and gradual rent increases.
- **Just cause eviction:** Prohibit evictions without just cause, ensuring every tenant has the right to a lease renewal. Just cause is defined as serious and repeated lease violations provable in a court of law.
- **Ban source of income discrimination:** Prohibit landlords from discriminating against tenants based on their source of income including federal housing assistance (i.e., vouchers).
- **Freedom from discrimination:** Enforce existing laws that prohibit landlords from denying a tenant rental housing based on race, physical or mental ability, and family make-up, and expand protections to prohibit discrimination based on sexual orientation, gender expression or identity, immigration status, conviction and/or arrest history, bankruptcy history, eviction history, or credit score.
- **Safe, quality, accessible housing standards:** Require all landlords to keep their properties in good condition, and to ensure homes are accessible for people with disabilities. No renter should have to live in an inaccessible home or in housing conditions that put their health and safety at risk.
- **Landlord registry:** Tenants should have access to information about their landlord including their name and phone number.
- **Tenant right to organize:** Tenants have the right to form tenant associations, unions, or resident councils free from fear of retaliation from the landlord or management. Ownership and management representatives must not interfere with the creation or actions of tenant organizations. Additionally, a right to organize should include the right for tenants to collectively bargain with their landlord over rent and living conditions.
- **Fair leases:** Landlords must use standardized and clearly defined leases free of abusive terms.
- **Office of Tenant Protections:** A team charged with protecting tenants and enforcing their rights in properties with federally backed mortgages.

In addition, we encourage the FHFA to prioritize the needs of tenants in any subsequent rulemaking process, and to co-develop any policy resulting from this process alongside those most impacted by the housing crisis. This will help ensure that the impact is most effective and equitable.



Again, thank you for your attention to this matter. If you have any questions or would like to follow up, you can reach us at info@tenantstogether.org or (415) 495-8100.

Sincerely,

Lupe Arreola
Executive Director
Tenants Together