



INSTITUTE OF REAL ESTATE MANAGEMENT

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Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street SW, Room 10276
Washington, DC 20410-0500

RE: FR-6187-N-01 White House Council on Eliminating Regulatory Barriers to Affordable Housing; Request for Information

Dear Office of General Counsel:

On behalf of the Institute of Real Estate Managers (IREM®), I greatly appreciate the opportunity to submit comments on the Department of Housing and Urban Development's (HUD) request for information (RFI) on Eliminating Regulatory Barriers to Affordable Housing. IREM is an international institute for property and asset managers, providing complete knowledge to take on real estate management's most dynamic challenges. For over 85 years, our members have made us the world's strongest voice for all things real estate management. Today, almost 20,000 leaders in commercial and residential management call this home for learning, certifications, and networking.

As the RFI states, the supply of available housing has not kept pace with the demand for housing by prospective renters and homebuyers. Rising housing costs are forcing families to dedicate larger shares of their monthly incomes to housing. In 2017, approximately 37 million renter and owner households spent more than 30 percent of their incomes on housing, with more than 18 million spending more than half of their incomes on housing. Between 2001 and 2017, the number of renter households allocating more than half of their incomes toward rent increased by nearly 45 percent.

Lack of affordable housing places burdens on individual households and local real estate markets. Households are forced to make adjustments in consumption of other community services and amenities and rising housing costs reduces the economic potential of the local market.

Regulations at the federal level could either help or hinder efforts to jump-start the formation of high quality affordable housing. The following list, while not all-inclusive, demonstrates some of the initiatives the federal government can implement which will have a positive impact on housing affordability:

- Encouraging private flood insurance – For properties in a high-risk flood zone, flood insurance provided by FEMA may be cost prohibitive and could increase even more in the future. Regulations to encourage private insurance companies to write more flood insurance in flood zones would lower the cost of this product, thereby making the property more affordable.
- Opposing rent control – By keeping rents artificially low, rent control disrupts signals in the real estate marketplace by dampening demand to purchase property. Legislation could be introduced that would restrict localities from receiving Community Development Block

Grant (CDBG) if they adopt rent control programs. Reducing rent control would restore the normal operations of the real estate market, resulting in increases in demand, inventory, and affordability.

- Reforming land use and zoning regulations - Allow higher densities, including smaller lots for single-family homes, and more allowance for attached homes and multifamily development. Local zoning codes should permit a range of housing types and densities, especially in mixed-use areas or employment centers.
- Improving Housing Tax Credit Programs – The Low-Income Housing Tax Credit (LIHTC) has been a very successful program which produces affordable housing in the United States. HUD reports that the LIHTC program creates about 107,000 affordable housing units per year – around 3 million units since 1986. The Affordable Housing Credit Improvement Act (S. 1703/H.R. 3077) has garnered support from both sides of the aisle. The legislation would increase the amount of tax credits allocated to each state by 50% over current levels. The bill would also incentivize the construction or preservation of more than 550,000 affordable homes over the next decade.
- Supporting incentives to voucher landlords – Often landlords are discouraged from allowing housing choice vouchers into their conventional units. However, there are a number of policies that housing authorities and HUD can implement that will make the process for voucher tenants more similar to conventional tenants. These include things like security deposits that match conventional; quicker inspection times; reserves for damage; and quick response to concerns about tenant’s payments or damage to property.
- Supporting “Yes in My Backyard” (YIMBY) policies – Municipalities across the country are calling for YIMBY land-use policies which will allow for the construction of high-density and multifamily housing in areas that have been historically zoned only to accommodate large lots and single-family homes. Legislation has been introduced in Congress (S. 1919/H.R. 4351) which would require local governments receiving HUD Community Development Block Grants (CDBG) to report on land-use policies they have adopted (like density bonuses, reducing minimum lot sizes, reducing permit and impact fees, etc.) to encourage affordable housing development.

IREM has had a long and constructive relationship with HUD. Our Federal Housing Advisory Board meets twice a year with a number of HUD offices to discuss a wide-range of current and emerging issues impacting the management of federally assisted housing programs. Issues discussed have included: Section 8 Project Based Contract Renewals, Rental Assistance Demonstrations, Rental Housing Integrity Improvement Project, and Assistance Animals.

As a trusted partner, IREM is available as a resource for HUD as the RFI moves forward. IREM can assist with the development of programs, provide pertinent data or technical assistance as IREM members manage nearly \$2 trillion in assets. A significant percentage of these assets are derived from a wide-range of rental housing that includes conventionally financed apartments, condos/co-ops, federally assisted and public housing.

We provide our members, college students, young professionals, and industry veterans, with industry-leading learning, internationally recognized certifications and a powerful network. Earning our credentials, including the CPM[®], ARM[®], ACoM, and AMO[®], demonstrates a

commitment to, and passion for, good management. These credentials, along with our courses and array of resources, all exist with one goal in mind – to make a difference in the lives of all those who enter the buildings we manage.

Again, we greatly appreciate the opportunity to submit comments on this important matter. If you have any questions, please contact Ted Thurn, Director, Government Affairs at tthurn@irem.org or (312) 329-6021.

Sincerely,

W.A. Chip Watts IV, CPM®
2020 IREM President-Elect