

State Legislative Issues

State legislators should explore proven alternatives to rent control to address housing concerns.

BACKGROUND

MBA supports state legislation and policies that creates a positive business environment for commercial and multifamily lenders and supports efforts to remove barriers to real estate development. For example, MBA believes rent and vacancy control creates significant disincentives to the construction of new multifamily housing and the rehabilitation of existing housing. This can result in the loss of rental housing growth, foster the deterioration of existing multifamily housing and effectively limit access and availability to affordable multifamily housing for years to come. In sum, those measure cause harm and are not effective in improving the housing situation they are intended to address.

MBA recognizes the affordability problem rent control proponents seek to address, and we have long been strong supporters of policies and multifamily rental programs that encourage lending and development of affordable housing to increase the supply of rental housing. This includes supporting programs such as HUD's FHA programs, which support new construction and substantial rehabilitation of workforce and affordable rental housing, the Low Income Housing Tax Credit program, Rental Assistance Demonstration program and a variety of state and local policies.

ADVOCACY AND RECOMMENDATIONS

Recently a number of state legislative and ballot initiatives have surfaced that could have a significant impact on MBA members. For example, in 2018, California ballot initiative Proposition 10 would have repealed the Costa Hawkins Act, which creates a statewide preemption of local rent and vacancy control laws. MBA, through the Mortgage Actions Alliance (MAA), issued a call to action encouraging MBA members and industry participants to vote No on California Proposition 10. California voters agreed and did not pass the ballot initiative.

Other rent and vacancy control, and property tax-reform, measures have been proposed or are being considered in California, Illinois and other states. MBA encourages policymakers to eschew rent and vacancy control measures and to instead explore proven, effective alternatives to rent control to help provide greater access to affordable housing options, including policies that would incentivize and support lending and the development and rehabilitation of rental housing.

March 2019

For more information, visit mba.org
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