

FACT SHEET: President Biden Announces Major New Actions to Lower Housing Costs by Limiting Rent Increases and Building More Homes

President Biden calls on corporate landlords to cap rent increases at 5% and takes action to make more public land available for housing

President Biden is taking action to make renting more affordable for millions of Americans. Today, President Biden is announcing new actions to lower housing costs, including:

- Calling on Congress to pass legislation giving corporate landlords a choice to either **cap rent increases on existing units at 5%** or risk losing current valuable federal tax breaks;
- Repurposing public land sustainably **to enable as many as 15,000 additional affordable housing units to be built in Nevada**; and
- Rehabilitating distressed housing, building more affordable housing, and revitalizing neighborhoods, including in Las Vegas, Nevada.

The President called on Congress to make the American Dream a reality for more families by passing the Biden-Harris Housing Plan, which would build 2 million homes, and provide \$10,000 in mortgage relief to unlock homeownership for millions of Americans. Already, more units are under construction than at any time in over 50 years, and the rate of new housing starts is up 17 percent compared to the last Administration.

The Biden-Harris Administration is using all available tools to lower housing costs, including limiting rent increases on rentals built with federal tax credits; supporting local communities that are building more housing; standing up to price-fixing by corporate landlords setting high rents for tens

of millions of apartments; and cutting energy costs by making housing more efficient and climate resilient.

Republicans in Congress have blocked the President's housing agenda. Congressional Republicans have tried to cut rental assistance and programs that build more homes and lower mortgage costs. And Senate Republicans are currently blocking a bill that passed the House with overwhelming bipartisan support that would help build 200,000 affordable homes. In addition, the previous administration secured a special tax subsidy for corporate landlords. While Republicans side with corporate landlords that are raising rents, President Biden is cracking down on price gouging and building more homes to lower rents and put homeownership in reach for working families.

Cracking Down on Corporate Landlords and Lowering Rents

Some corporate landlords have taken advantage of the shortage of available units by raising rents by more than increases in their own costs—resulting in huge profits at a time when millions of Americans are struggling to cover rent each month. And recent analysis showed that the six largest publicly-traded apartment companies reported large profits earlier this year, and many of these same landlords are named in pending litigation for their alleged use of proprietary algorithms to raise rents on tenants.

President Biden is calling on Congress to pass legislation presenting corporate landlords with a basic choice: either cap rent increases on existing units to no more than 5% or lose valuable federal tax breaks. Under President Biden's plan, corporate landlords, beginning this year and for the next two years, would only be able to take advantage of faster depreciation write-offs available to owners of rental housing if they keep annual rent increases to no more than 5% each year. This would apply to landlords with over 50 units in their portfolio, covering more than 20 million units across the country. It would include an exception for new construction and substantial renovation or rehabilitation. The policy is a bridge to rents stabilizing as President Biden's plan to build more takes hold. The President believes that this combination of anti-gouging policies and historic levels of support to build more affordable housing effectively balances the needs of tenants without limiting incentives for more supply.

The Administration looks forward to working with Congress to ensure renters are protected and corporate landlords comply with the intent of this proposal.

The Federal Housing Finance Agency (FHFA) is announcing new actions to protect renters in multifamily properties financed by loans acquired by Fannie Mae and Freddie Mac. These protections apply to future loans acquired by Fannie Mae and Freddie Mac, who have financed an average of 1.2 million multifamily rental units over the past three years. The protections include:

- Requiring 30-day notice before rent increases;
- Requiring 30-day notice on lease expiration; and
- Providing a 5-day grace period before imposing late fees on rental payments.

Repurposing Public Land to Build More Affordable Housing

Today, the Biden-Harris Administration is announcing new actions to repurpose federal land to build tens of thousands of affordable homes. The Federal Government is the largest landholder in the country, and state and local governments, as well as entities like transit agencies, school districts, public utilities, and faith-based institutions, own considerable amounts of land that are underutilized and may be used in ways that better reflect local priorities and housing needs.

The President is calling on all federal agencies to assess surplus federal land that can be repurposed to build more affordable housing across the country. The White House will work with federal agencies with land disposition authorities, as well as agencies that provide financing tools for housing and needed infrastructure—with a goal of quickly building more housing that is affordable for working families and climate resilient, which will bring down energy costs, while protecting local lands and waters.

The Bureau of Land Management (BLM) is announcing new actions to create thousands of affordable housing units on BLM land in Nevada. BLM is opening a public comment period on a sale of 20 acres of public land to Clark County, Nevada for below market value at just \$100 per acre—the largest-ever sale for

affordable housing under the Southern Nevada Public Lands Management Act program, which the county estimates will enable the development of nearly 150 affordable homes for households making less than 80% of area median income. BLM will also soon announce the proposed below-market sale of an additional 18 acres to the City of Henderson, which the City estimates will provide nearly 300 affordable housing units for rent. These actions are the first affordable housing sales conducted under a memorandum of understanding between BLM and the Department of Housing and Urban Development (HUD) earlier in this Administration that improves the sale process and lowers the cost for affordable housing parcels.

BLM is considering an additional 562.5 acres of public lands that have been identified by local governments in Southern Nevada and that are appropriate for affordable housing in the Las Vegas Valley—supporting the building of up to 15,000 or more additional affordable rental and homeownership units for Nevadans. BLM will also work with local governments as they come forward with housing-related requests for the roughly 26,000 acres in Las Vegas Valley that remain under BLM control and are eligible for disposition under the Southern Nevada Public Lands Management Act program.

The United States Forest Service (USFS) is announcing plans to lease Forest Service land to build workforce housing—the first-ever such projects in the nation. USFS is planning to lease strategically positioned sites for workforce housing developments in Steamboat Springs, Colorado and Ketchum, Idaho, to create new affordable housing. USFS is actively exploring additional federal land that can be leveraged to support workforce housing, including in high-cost areas across the country.

The United States Postal Service (USPS) will pilot the repurposing of certain surplus properties for housing. USPS owns more than 8,500 facilities nationwide, including some that are not needed for postal operations in areas that face a shortage of affordable housing.

HUD, Health and Human Services (HHS), and General Services Administration (GSA) plan to release a final rule to make it easier for public and nonprofit developers to use federal buildings and land to house the homeless. The Title V program, authorized by the McKinney-Vento Homeless Assistance Act, allows federal agencies to use unutilized, underutilized, excess, or surplus

federal properties at no cost to develop housing for people experiencing homelessness. The new rule would make it easier for developers to navigate the process, potentially resulting in thousands of additional housing units to address homelessness and affordability challenges.

The Department of Transportation (DOT) published interim guidance to permit transit agencies to use their property to support transit-oriented development. This will make it easier to build affordable housing near transit.

Call to action for state and local governments to build more affordable housing on public lands. The White House is also calling on state, local, tribal, and territorial entities, as well as transit agencies, public utilities, school districts, and other quasi-governmental agencies, and encouraging faith-based, community, and other non-profit institutions to consider whether land they hold might be suitable for the development of affordable housing. Based on new analysis, the Center for Geospatial Solutions at the Lincoln Institute of Land Policy estimates the development potential of underutilized state and local government land located near transit at approximately 1.9 million units nationwide. HUD and DOT both offer technical assistance that can help governments identify and repurpose land they own for housing, and HUD published a best practices guide that includes examples and strategies governments can deploy to repurpose their land for housing.

Investing \$325 Million in Housing and Community Development

HUD is announcing \$325 million in Choice Neighborhoods grants to build new deeply-affordable homes, spur economic development, and revitalize neighborhoods in communities across the country. The awards will build over 6,500 units of new housing, support small businesses, build childcare centers and new parks, and will be used to leverage more than \$2.65 billion in additional public and private investments in these neighborhoods. These awards reflect deep engagement and input from the community, including residents, local leaders, and other stakeholders, such as public housing authorities, cities, schools, law enforcement, business owners, nonprofits, and private developers that have come together to create and implement plans to preserve and expand housing, build neighborhood resources and amenities, and invest in the people who live in these

communities.

For example, the \$50 million grant awarded today to the Southern Nevada Regional Housing Authority and the City of Las Vegas will restore 235 existing affordable housing units for extremely low-income renters and build 400 new units of housing. They will invest in an early learning center and provide support for small businesses. In addition, these funds will leverage an additional \$212 million in public and private resources in this community, that will activate indoor and outdoor community spaces, and provide supportive services to residents.

Other recipients of these grants include Syracuse, NY; Chattanooga, TN; Huntsville, AL; Miami, FL; Houston, TX; Trenton, NJ; Phoenix, AZ; Shreveport, LA; Cleveland, OH; Baton Rouge, LA; Camden, NJ; Winston-Salem, NC; Lewiston, ME; and Norfolk, VA.

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