

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: August 30, 2018

Subject: September 5, 2018, Housing and Insurance Subcommittee Hearing on “The Cost of Regulation on Affordable Multifamily Development”

The Subcommittee on Housing and Insurance will hold a hearing entitled “The Cost of Regulation on Affordable Multifamily Development” Wednesday, September 5, 2018, at 2:00 p.m. in Room 2128, Rayburn House Office Building. The hearing will focus on the various federal, state and local regulations and policies that affect affordable multifamily housing development. This will be a one-panel hearing with the following witnesses:

- Ms. Sue Ansel, President and Chief Executive Officer, Gables Residential, on behalf of the National Multifamily Housing Council
- Mr. Steven E. Lawson, Chairman, The Lawson Companies, on behalf of the National Association of Home Builders
- Ms. Erika Poethig, Vice President and Chief Innovation Officer, The Urban Institute
- Mr. James H. Schloemer, Chief Executive Officer, Continental Properties Company, Inc.

Numerous studies suggest housing trends in the United States will dramatically change for the next 25 years as more individuals opt to rent housing rather than become homeowners. The studies suggest that this trend will accelerate for seniors, young professionals, and working families. More importantly, recent studies suggest that multifamily housing development can be subject to a significant array of regulatory costs, including a broad range of fees, standards and other requirements imposed at different stages of the development and construction process. When regulatory costs become too expensive, it can hinder development, reduce housing supply, and further exasperate housing affordability problems. Some studies conclude that regulation imposed by all levels of government can account for up to 30 percent of multifamily development.

The hearing will identify regulatory barriers that inhibit or prevent the development of affordable housing, to assess how these barriers affect the cost of building and maintaining affordable housing, and to offer suggestions on how such policies should change to meet future demand for such units.