

OUR HOMES, OUR FUTURE HOW RENT CONTROL CAN BUILD STABLE, HEALTHY COMMUNITIES



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About This Report

This report was produced by a collaboration between PolicyLink, the Center for Popular Democracy, and the Right To The City Alliance.

PolicyLink is a national research and action institute advancing racial and economic equity by Lifting Up What Works[®]. We work to ensure that all people in America are economically secure, live in healthy communities of opportunity, and benefit from a just society. <u>policylink.org</u>

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The **Right To The City Alliance** (RTTC) seeks to 1) halt the displacement of low-income people, people of color, LGBTQ communities, and youth of color, and 2) protect and expand affordable housing in tandem with a broader movement to build democratic, just, and sustainable cities. RTTC and our flagship Homes For All campaign have been at the forefront of building grassroots tenant-led organizing power to win historic policy changes including rent control and community control of land & housing. righttothecity.org

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SUMMARY

Amid the worst renter crisis in a generation, it is time for policymakers to respond to the call for rent control to protect tenants from skyrocketing rents and displacement. Leveraging this powerful yet underutilized tool would have tremendous payoff: if the rent control and tenant protection policies being debated right now in states and localities become reality, 12.7 million renter households will be stabilized. If adopted by states nationwide, 42 million households could be stabilized.



Housing Justice for All, June 2018 New York State March for Universal Rent Control. Photo Credit: Ethan Fox

Rent control protects tenants from excessive rent increases by creating a schedule for reasonable and gradual rent increases, while ensuring that landlords receive a fair return on their investment. It is a smart, proven policy that can immediately stabilize prices, halt rent gouging, and reduce the risk of displacement and homelessness, while increasing housing security and affordability over the long term.

Why should policymakers and community leaders act now to implement rent control?

- Rent control works—it increases housing stability and affordability for current tenants. Tenants living in rent-controlled units move less frequently, are less likely to experience destabilizing forced moves, and pay substantially less than tenants in non-regulated units of similar size and quality.
- Rent control is unrivaled in speed and scale. Rent control is the only policy tool that can immediately provide relief to renters facing unaffordable rent increases. Because rent control covers private rental housing where the vast majority of renters live, it outperforms all other affordable housing tools in terms of scale of impact. In cities with rent control, it is often the largest source of affordable housing.
- Rent control is cost-effective. While rent control requires a government apparatus to implement, the costs for operating rent control programs can be covered by modest fees and can even be cost-neutral.

• Rent control protects low-income households. Like all consumer protections, rent control applies to renters of all incomes. But rent control disproportionately benefits low-income tenants, seniors, people of color, women-headed households, persons living with disability and chronic illness, families with children, and others who have the least choice in the rental market and are most susceptible to rent gouging, harassment, eviction, and displacement.

The stability and affordability provided by rent control would have cascading benefits for communities and our broader society. Renters would be more financially secure, with more disposable income to spend on other household needs and in the local economy. They would be healthier, since housing stability and affordability contribute to mental and physical health. Children would do better in school, since frequent moves disrupt education. And our democracy would be fortified, since stability increases civic and political participation.

While no one policy can solve the renter crisis, rent control offers meaningful, immediate, and widespread relief for tenants facing unsustainable—and sometimes unconscionable—rent increases. This is why it is a cornerstone of the housing justice and tenant rights movement and an essential element of a comprehensive approach to address our affordability challenge.

Policymakers and community leaders should take swift action to bring rent control to many more tenants and communities by strengthening rent control in the states where it exists, establishing rent control in more states, and supporting tenant organizing in every community. With renting up nationwide, action is all the more urgent. Renters need stability to thrive, and when renters thrive, communities thrive.

"WE NEED STRONGER RENT CONTROL TO LIVE OUR BEST LIVES."

"The only reason I've been able to provide for myself, honestly, is because of the fact that I've been able to hold down an apartment that is rent-controlled," says Jacqueline Luther, a former foster care youth who lives in Los Angeles.¹ "Living in this unit, I've been able to successfully complete my undergraduate degree. To find full-time work at two different nonprofits, that I can still easily access with public transportation. To finish my master's degree in therapy, working full-time and attending school full-time. And it's all because I have security, to know my rent won't be raised beyond a certain amount each year. It frees me up mentally, to be able to focus on what I want to focus on in my life, and take it to the next level."

Luther had few financial resources when she aged out of transitional housing during college. She found her rent-stabilized unit by fluke. It gave her an affordable option at a public transit hub, where market-rate rents are high, allowing her to take a bus to her job across town. Without access to transit, as a non-traditional student, she believes she could not even have begun her graduate program.

Only about half of Los Angeles's rentals are stabilized, and Luther's siblings were "not as lucky" to find such housing. Her sister became homeless, after facing a \$600 rent increase, and has suffered debilitating mental health challenges as a result; three years later, she hasn't recovered and still couch surfs. Luther herself manages post-traumatic stress disorder (PTSD) from abuse as a teenager, and believes that having a rent-stabilized apartment has supported her own health: "I'm pretty sure I would have fallen into a similar cycle as my sister."

Luther wants to see rent control benefit all communities: "When you don't have to worry about this large rent increase coming, then you can take care of your health issues. You can get gainful employment, and contribute to your community as a whole. In the long run, it just helps everyone within that community to be able to thrive, because they have *stability*."

INTRODUCTION

"I've moved at a minimum 10 times over the past 15 years... I've had to make the choice between eating and paying the rent."

–Jonathan Projansky, Chicago, Illinois, which lacks rent control

"Rent control helps everyone within that community to be able to thrive, because they have stability."

–Jacqueline Luther, Los Angeles



Housing Justice for All, June 2018 New York State March for Universal Rent Control. Photo Credit: NYC-DSA

acing the largest renter crisis in decades, policymakers must make a choice. Will they leverage the tool of rent control to create greater housing stability—or will they forgo this solution and allow for deepening housing insecurity, rising rents, and further displacement?

Protecting renters, and ensuring they have the stability they need to thrive, is critical for renters and

their families—and the future of our economy and democracy. America is increasingly a renter nation, with a renter majority in our 100 largest cities, and renting up nationwide.² A home is a human need and more—it is an anchor to family and community, and a platform for health, well-being, and economic success. But without a change in course, millions more lowincome renters will be squeezed by unaffordable rents and uprooted by eviction and displacement in the



Homes for All rally. Photo Credit: Entisar Abioto

coming years.³ This is a threat to renters, and a threat to the well-being of the nation.

The crisis has reached epic proportions. Today, a full-time minimum-wage worker cannot afford a one-bedroom apartment in 99 percent of counties.⁴ Eight in 10 low-income renters pay too much for housing and nearly half of all renters—20 million households—pay unaffordable rent.⁵ Nearly half of renters are behind on rent, utilities, or medical bills, or experience other material hardship.⁶ In the wealthiest country on earth, the specters of displacement, eviction, and homelessness are everywhere. About 6,300 people are evicted every day.⁷ Low-income communities of color are being uprooted wholesale from gentrifying neighborhoods.⁸ And in 2016, 1.3 million public schoolchildren were homeless—nearly *double* the number from 2007.⁹

While the crisis reaches across race, income, and geography, communities of color have been hit the hardest. Not only are lower income people overwhelmingly likely to be renters, but America's housing market is built upon a foundation of discriminatory policies and practices—from the appropriation of land to redlining to predatory lending and more—that have made achieving or maintaining homeownership especially difficult for Indigenous people, African Americans, and other people of color. Historical and ongoing institutional racism have left renters of color to fend for themselves in a housing market where they disproportionately experience housing insecurity, eviction, homelessness, and displacement.

It doesn't need to be this way. Policymakers can choose to protect renters and create a more stable rental housing market right now by implementing rent control on a more widespread basis.

Rent control is the most immediate solution to address the affordability crisis—its speed and scale, cost-effectiveness, and ability to protect a huge swath of low-income and marginalized renters are unrivaled. Already working in more than 140 jurisdictions, rent control protects tenants from excessive rent increases by creating a schedule for reasonable and gradual increases, while ensuring that landlords receive a fair return on their investment. Rent control is a smart, proven policy that can rapidly stabilize prices, halt rent gouging, and reduce the risk of displacement and homelessness, while increasing housing security and affordability over the long term.

Rent control directly increases stability and affordability. Tenants living in rent-controlled units move less frequently and are less likely to be forced to move.¹⁰ They also pay substantially less than tenants in non-regulated units: \$3,240 less per year in Los Angeles, \$5,460 in New York City, and \$18,000 in highcost Manhattan.¹¹

The increased housing stability and affordability directly brought about by more widespread rent control would have cascading benefits throughout society. Renters would be more economically secure, with more resources to spend on other household needs and boost local economies. They would be healthier, since stability and affordability would contribute to improving their mental and physical health. Children would do better in school, since frequent moves thwart education. And our democracy would grow stronger, as stability increases civic and political participation.

Additionally, recent studies from the University of Southern California and the University of California, Berkeley, find that key critiques of rent control are generally not substantiated by the evidence and that rent control is an important tool to address the affordability challenge.¹² On balance, rent control does not hurt new construction or increase rents in non-regulated units.¹³ Rent control also does not lead to declines in maintenance when effective code enforcement policies are in place, and can help provide tenants greater standing to seek needed repairs.¹⁴

This is why a growing movement of tenants, housing advocates, and local and state policymakers—from

New York to Illinois to Washington and beyond—are working to bring rent control to more places and strengthen existing rent control programs. They are gaining momentum, and it is time to fully realize the promise of rent control in America.

This report offers evidence as to why rent control is a sensible and necessary strategy to address the renter crisis, describes the benefits of rent control, and shares policy recommendations to bring rent control to our communities.



Titan Manor Tenants Alliance Members Candy and Lala during Renter Week of Action 2017. Photo Credit: Community Alliance of Tenants

RENT CONTROL IN THE UNITED STATES

Rent control has a long history of success providing stable, affordable housing and improving the lives of tenants around the world.



Santa Cruz rent control rally. Photo Credit: Movement for Housing Justice Santa Cruz

n the United States, rent control has protected millions of low- and moderate-income tenants from sudden rent increases and displacement and is a major source of affordable housing in the cities where it exists. But backlash, primarily from the real estate industry and conservatives, has prevented many communities from using this important tool and has limited its potency where it is available.

Governments worldwide have found it necessary to regulate rents in the same way that they have needed to regulate utilities and other basic necessities. Housing is typically the largest household expense, and tenants have little flexibility to move to a lower cost home in the face of rent increases, especially when affordable homes are scarce. This increases landlords' power over tenants' lives, including to charge whatever they wish, creating an important role for government to mediate the landlord-tenant relationship to ensure a fair and functioning rental housing market. In the United States, all rent regulations are designed to guarantee landlords a "fair return," as mandated by the Supreme Court, providing tenants with predictable rents *and* preventing landlords from going out of business.¹⁵ Rent control became widespread in the World War I and II era, when dozens of countries implemented rent controls and eviction protections in response to rental housing shortages and rent gouging.¹⁶ In the United States, the federal government oversaw "fair rent" committees that arbitrated landlord-tenant conflicts in 82 cities during World War I, and tenant organizing led to the establishment of rent regulations in New York City, Washington, DC, and other cities in New York state.¹⁷ Rent control was also implemented nationally during World War II, and again in the early 1970s in response to rising inflation.¹⁸

Tenant movements have played a key role in establishing and strengthening rent control policies in cities across the country. The Harlem rent strikes of 1964-1965 kicked off a new wave of tenant activism springing from the civil rights, students', and poor people's movements, with rent control as a galvanizing issue. By the early 1980s, about 200 cities in New York, Massachusetts, California, New Jersey, and Maryland had adopted some version of rent control, often as a part of a broader set of regulations relating to tenant security, maintenance, housing quality, and landlord-tenant relations.¹⁹

KEY TERMS

RENT REGULATIONS: A general term for policies that aim to make private rental housing affordable and accessible for tenants, whether by limiting rent increases, setting maximum rents, establishing rules for determining fair rents, and/or subsidizing lower rents or smaller rent increases.

RENT CONTROL: Rent regulations that limit rent increases in private rental housing, usually by creating a predictable schedule for the maximum percentage of rent increase that is allowed each year. In this report, we use rent control as an umbrella term that includes rent stabilization, though note that rent stabilization generally refers to rent regulations that limit rent increases within, but not between tenancies (i.e., have vacancy decontrol).

RENT FREEZE: Rent freezes prohibit rent increases and/or strictly set maximum rents. More recently, "rent freeze" has also referred to policies that set a small but allowable percentage rate of rent increase, such as 1 to 3 percent, as a temporary, emergency measure.

VACANCY DECONTROL, BONUSES, OR ALLOWANCES:

Policies that allow landlords of rentregulated apartments to raise rents between tenancies, either to market-rate (vacancy decontrol) or a higher percentage than is normally permitted (vacancy bonus or allowance). Vacancy control limits rent increases between tenancies.²⁰

JUST CAUSE (OR "GOOD CAUSE") EVICTION LAWS:

Tenant protection designed to prevent arbitrary, retaliatory, or discriminatory evictions by establishing that landlords can only evict renters for "just cause" such as non-payment of rent, breach of lease, illegal activity, nuisance, plans for immediate owner-occupancy, and demolition plans by the landlord.

CODE ENFORCEMENT: Programs that uphold standards for safe and healthy housing, carry out inspections, and provide processes to ensure these standards. Enforcement mechanisms can be designed to minimize the displacement of vulnerable tenants, for instance, by working in tandem with rent control.

FORCED MOVE: When a tenant leaves a unit in which they would like to stay because of increased rent, decreased habitability, eviction, harassment, and/or other means landlords might use to force a vacancy.

UNIVERSAL RENT CONTROL: Rent control that seeks to cover as much rental housing as possible and without loopholes such as vacancy and luxury decontrol, based on the principle that every tenant should be covered by basic protections against rent hikes, displacement, and eviction.



Thang K. Mung at Oregon renter rally. Photo Credit: Taro Bagnon

But as tenants organized for rent control, the real estate industry organized against regulation opposing new laws, weakening or repealing existing regulations, and passing state preemption laws banning rent control. The conservative American Legislative Exchange Council (ALEC) also lobbied states to prohibit rent control, publishing a model ordinance that was adopted by Illinois and other states.²¹ In the 1990s, industry backlash led to the removal of rent control in Massachusetts, and significant weakening of rent control in California, New York, and elsewhere.²² Rent control has not been substantially expanded to new jurisdictions since the 1980s.²³

Because of this opposition, rent regulations in the United States have been relatively weak and contain many loopholes that have allowed rents to rise beyond affordable levels and/or remove units from regulation entirely. Especially since the 1970s, rent stabilization laws have tended to limit rent increases only within tenancies, allowing rents to increase—often to market rate—when tenants leave (vacancy decontrol). In addition, they generally exempt new construction and only cover older buildings. After decades of losing ground, the tide is now turning. Facing the current crisis of sky-high rents and displacement, today's growing tenant movement is advancing rent control measures and other tenant protections at local and state levels. Across the country, dozens of local campaigns are underway, along with campaigns to bring rent control to Colorado, Illinois, Oregon, and Washington, and ongoing movements to strengthen and expand rent control in California and New York.

Principles for Effective Rent Control

As communities look to adopt rent control, or strengthen it where it already exists, the following principles can guide their efforts to deliver the most effective policies:

- 1) Ensure maximum coverage of rental homes. To protect the largest number of tenants, rent control laws should cover most rental dwellings, with minimal exceptions. Single-family homes, often exempted from rent control laws, should be covered: in the wake of the foreclosure crisis, an estimated 5.4 million single-family homes have been converted to rentals.²⁴ Rent control laws often only cover old or very old buildings (e.g., pre-1974 in New York and pre-1995 in California), but should cover more recently constructed buildings. Mobile homes and smaller apartment buildings should also be covered.
- 2) Pair rent control with robust tenant protections and systems to maintain safe, quality homes. Strong "just cause" (or "good cause") eviction protections are essential to prevent landlords from evicting tenants in order to raise rents, and should be embedded in rent control laws if such laws do not already exist. Tenants should also be protected against landlord retaliation for making complaints, withholding rent until repairs are made, or otherwise asserting their rights under the law. Well-designed code enforcement policies that compel landlords to maintain safe and habitable housing while keeping current tenants in place are critical complements to rent control.

- 3) Maximize long-term affordability. Rent control can preserve the affordability of rental homes over the long term and serve generations of tenants to come—if rents are held at below-market rates when current tenants leave. New and improved rent control policies should reject or remove vacancy decontrol requirements so they can maintain their affordable rental stock. The formula for setting annual rent increases should also maintain affordability, by tracking inflation or renter income growth.
- 4) Tenants should play a central role in program design and implementation. As is the case in all policy arenas, the people most impacted by inequities must be engaged in the development and execution of solutions. Tenants who are low-income and/or face discrimination and other barriers to accessing safe, affordable housing need to be included on rent boards and engaged in developing and implementing policies that benefit and protect them from displacement.

"RENT CONTROL ENABLED US TO FINISH COLLEGE."

When Cambridge, Massachusetts, still had rent control, Kate Byrne was a single mother. "My son and I were both in college at the same time. Without a rent-controlled rent, neither one of us would have been able to finish college," she says.

Before finding their rent-controlled home, Byrne and her son suffered through winter without turning on the heat, because they could not afford it and the rent. In their new home with stable rents, Byrne attained a bachelor's degree and a nursing degree. While in school, she worked three part-time jobs, and her son worked two. Rent control enabled them to afford to live near transit, which they depended on to go to school and work. Whereas previously Byrne had exclusively worked low-paying jobs, with her nursing license, her income "increased dramatically." The savings and stability from rent control were critical to her household's long-term economic advancement.



Housing Justice for All, New York State March for Universal Rent Control, November 2018. Photo Credit: Pat Raymond

TODAY'S RENTER CRISIS

"I try to think, as long as I just pay the rent, everything else will kind of work out. But my daughter notices if I miss a meal, because I don't want them to miss one. My electric bill is \$1,000 now. I keep calling them to buy time. And I'm a 'luckier' person who has a full-time job. I get really upset with myself because, I want so much more for my kids than this month-to-month life."

-Coya Crespin, Portland, Oregon



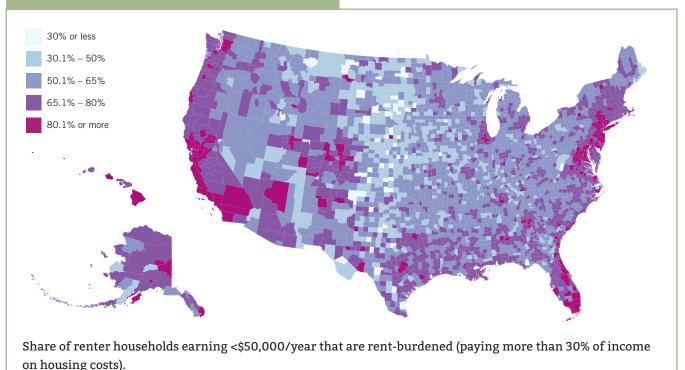
Causa Justa :: Just Cause and Homes for All members march in Oakland, CA. Photo Credit: Rose Arrieta

ust over a decade after the foreclosure crisis turned millions of homeowners into renters and decimated wealth, a new crisis of renter instability and unaffordability has emerged. Eight in 10 low-income renter households, and nearly half of all renters, are paying unaffordable rent—spanning urban, suburban, and rural areas in every state (see map, page 12). Whole apartment complexes full of low-income renters, often families of color with children, are being served notices of eviction or exorbitant rent increases—often by new, out-of-town investor owners. Serial displacement is endemic, particularly for Black communities and women of color with children, and renters are being displaced to outlying areas far from jobs, transit, and health care, giving rise to new forms of regional segregation.²⁵ Black populations have declined in fast-gentrifying cities from Portland to Atlanta.²⁶ Homelessness is ticking up nationally-and it is rising fastest in

high-cost areas with rising rents.²⁷ The pain has spread further up the income spectrum as well, with moderate-income renters increasingly burdened.

How did we get here? The private rental market has never met the needs of low-income renters and government subsidies have always been insufficient, but a confluence of factors has widened the gap. Over decades, rents have been rising as wages have stagnated. Since 2001, the market has increasingly produced luxury apartments rather than affordable rentals, while federal subsidies for affordable housing have shrunk and the stock of existing affordable homes continues to decline. All of this has led to a serious affordability crisis for low-income renters: today there are only 35 affordable rentals available for every 100 extremely low-income renter households.²⁸ In addition, changes in our economy and financial system have increased speculative activity in the rental market, fueling rent increases, evictions, and displacement.

A Nationwide Rental Affordability and Stability Crisis



Source: 2017 5-year American Community Survey.

Throughout the country—across, cities, suburbs, and rural areas—renters are being squeezed by rising rents and stagnant or declining incomes. Nearly twenty million renter households pay too much for housing and about 10 million pay more than half their income on rent. The vast majority of renters paying unaffordable rent are low-income (78 percent).*

- Low-income renters: Among low-income renter households, eight of every 10 are rent-burdened, and half are severely burdened (paying more than half their income on housing costs). The plurality of low-income, cost-burdened renters are White (47 percent), while 23 percent are Black, 23 percent are Latinx, 4 percent are Asian or Pacific Islander, 1 percent are Native American, and 2 percent are multiracial.
- **People of color:** The majority of Black, Latinx, and Pacific Islander households, and many other Asian subgroups (e.g. Hmong and Korean), are renters, while 71 percent of White households own their homes. Six in 10 Black and Latinx renter households are burdened, compared with five in 10 of their

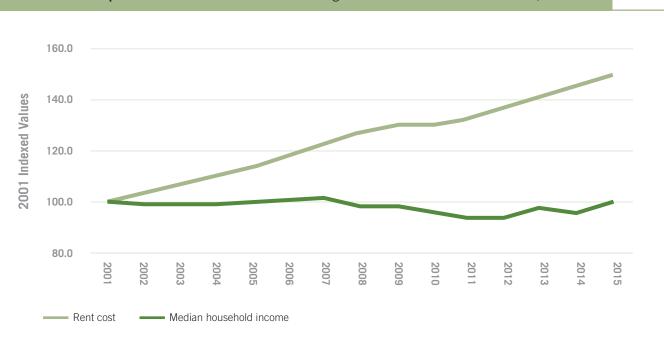
White counterparts. Across race and gender groups, women of color face the largest affordability challenges (61 percent are rent-burdened).²⁹

- Families with children: Four in 10 households with children are renters, and about half of them (7 million households) are rent-burdened (49 percent).
- **Seniors:** Seniors represent the largest growth in renters, and half of senior renters are rentburdened, up from 43 percent in 2001.³⁰
- Large cities: The majority of renters living in the largest 100 cities (53 percent) are rent-burdened.
- **Rural communities:** Although rural residents are less likely to rent, many rural renters live in substandard housing and face affordability challenges: 2.4 million households living in rural America are rent-burdened.³¹

^{*} Low-income is defined as those living at or below 200 percent of the federal poverty line: \$24,000 for a single person or \$50,200 for a family of four. Unless otherwise noted, data presented here are from PolicyLink analysis of data from the 2015 and 2016 5-year American Community Survey.



Lift the Ban Coalition Rally in Chicago. Photo Credit: Diego Morales



Rent Increases Outpaced Income Growth Since 2001: Changes in Rent and Household Income, 2001–15

Note: Rent and income are inflation-adjusted to 2015 dollars using the consumer price index for all urban consumers. Rent costs and income values are indexed to 2001.

Source: The Pew Charitable Trusts analysis of data from the Federal Reserve Bank of St. Louis.

Some of the key trends driving the crisis include:

Rent increases have far outpaced income growth. Between 2001 and 2015, median rents increased 50 percent, yet incomes have remained flat—and have declined for lower income renters. In places where minimum wages have increased, rents have outpaced wage growth. For the lowest-income renters, the amount of money left over for other expenses after paying for rent and utilities decreased 19 percent between 2001 and 2016.³² Renters also have little savings to fall back on in the case of emergencies: the median savings for cost-burdened renters is just \$10.³³

New development is not targeted to low-income

renters. Today, new development is producing far fewer affordable rentals than in 2001, despite increased need, and is far more concentrated at the upper end. In 2016, only 19 percent of new rental units rented for less than \$850 per month (down from 42 percent in 2001), while 40 percent of newly built units rented for \$1,500 or more.³⁴ In theory, marketrate construction will "trickle down" to become affordable to moderate and low-income renters over time. But that takes decades for that process (what housing scholars call "filtering") to occur, if ever.³⁵ In the short term, new luxury developments in lowincome neighborhoods often cause rents to *rise.*³⁶ And, as a vivid illustration of how badly the market is broken, many luxury units are sitting vacant despite record low vacancy rates for affordable apartments.³⁷

Declining federal support for low-income renters.

The private market does not produce housing that is affordable for very low-income renters—government subsidies are required to fill this gap. Yet our federal government spends four times the amount of subsidies on homeowners (predominantly for wealthy and upper middle-class households) as it does on renters, and the share of renters who do receive support is decreasing.³⁸ Today, only one in five of the



Notes: Recently built units in 2001 (2016) were built 1999-2001 (2014-2016). Monthly housing costs include rent and utilities and have been adjusted to 2016 dollars using the CPI-U All items less shelter. Rental units exclude vacant units and units where no cash rent is paid.

Source: Harvard Joint Center for Housing Studies analysis of data from the 2001 and 2016 American Community Survey.



2017 Colorado Rally for Rent Control. Photo Credit: 9 to 5 Colorado

22.3 million renters in need of federal assistance now receives it, down from one in four in 2005.³⁹

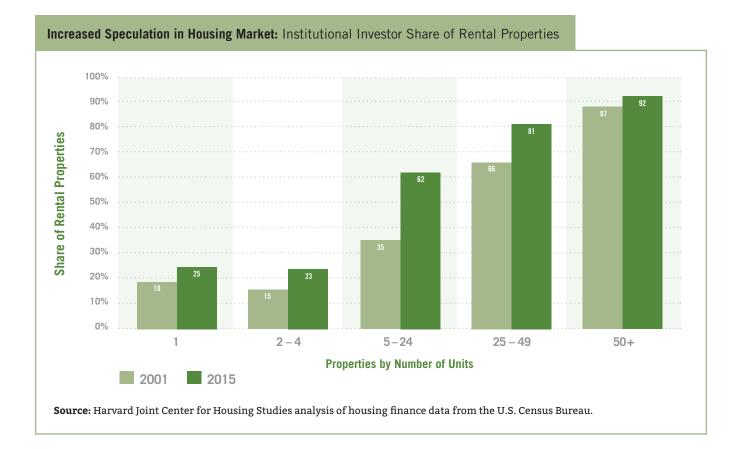
An ongoing hemorrhage of affordable rental units.

While new construction is not helping to address the affordability crisis, the situation is made worse by the ongoing loss of *existing* affordable rental housing stock. Every year, affordable rentals are permanently lost due to demolition, physical deterioration, the expiration or loss of affordability controls, conversion to ownership or other uses, or rent increases. Of the 15 million housing units that were affordable for very low-income households in 1985, only 6.2 million of them remained available and affordable in 2013.⁴⁰ A more recent analysis of 97,061 rental units refinanced twice between 2010 and 2016 found that 60 percent of rentals affordable to very low-income families in 2010 became unaffordable by 2016, primarily due to rent increases.⁴¹ In the cities with rent regulations, loopholes that remove units from regulation or allow rents to increase beyond affordable levels contribute to this loss of affordable rentals. New York City, for example, has lost more than 290,000 regulated units since 1994, largely due to such loopholes.⁴²

Increased speculation in the rental housing market.

As wealth has continued to concentrate at the top, investments have poured into real estate, fueling speculation in the rental market.⁴³ Financial reforms beginning in the 1980s changed the rules on real estate investing, allowing housing to be packaged and traded on Wall Street and enabling the rise of new institutions that buy and manage rental properties with the purpose of maximizing profits for investors.⁴⁴ Since 2001, institutional investors (including so-called "corporate landlords") quickly increased their holdings in properties of every size: they now own 62 percent of 5-24 unit multifamily rental properties (up from 35 percent in 2001), and a near majority of all rental units.⁴⁵ The full impact of this shift in ownership is not yet understood, but there are many documented instances of corporate landlords using rent gouging and eviction as business practices.⁴⁶ A Federal Reserve Bank analysis of the largest institutional owners of single-family rentals in Atlanta found that they are 18 percent more likely to file eviction notices than small landlords, after controlling for property and neighborhood characteristics.⁴⁷ Meanwhile, rent increases imposed by a few large investors or landlords can increase rents throughout the region.48

All of these factors have driven us into the current crisis. Today's rapid rent increases, eviction, and displacement fueled by speculation in the rental market, along with historically low availability of affordable rentals in many communities, signal a housing emergency. While increasing affordable housing production is necessary, it is insufficient. Tenants need protection now—and they are asking for the policy solution that can provide immediate protection from these devastating forces: rent control.





Rally at Oregon State Capitol in April 2017. Photo Credit: Taro Bagnon



2017 Colorado Rally for Rent Control. Photo Credit: 9 to 5 Colorado

Organize Florida housing action. Photo Credit: Giovanni Bravo

"ONCE PEOPLE ARE GONE, THEY'RE GONE."

"The uncertainty, the instability, the amount of stress, just not knowing, 'Next month, am I going to be able to stay in my apartment?'—is so huge," says Nicole Hodgson of Pasadena, California.

Hodgson helped start the Pasadena Tenants Union in 2017, to fight for rent control and just cause eviction in response to worsening displacement and first-time homelessness. She saw how families were splitting up so kids can continue their school year, explaining how "one person might move to an outlying area, while another parent and child couch surf in Pasadena to attend school." The local school district supported a 2018 ballot measure for rent control, because displacement is worsening its funding shortages. As families are pushed into the desert, commutes are increasing. Hodgson knows people traveling three hours, one way. "Then you're not with your family, you have to work on day care," she notes.

"We're running against the clock," she says. "There's some suggestion the market might be cooling a little bit, but what does that mean? It goes from you paying \$1,200 a month, getting kicked out because they're charging \$2,400 a month, and they might go down to \$2,300. Once we lose folks from the community, they're gone."

WHY RENT CONTROL IS A KEY Tool to alleviate the crisis

Rent control is one of the most effective tools to alleviate our renter crisis, immediately. It has key advantages over other policy mechanisms, including: speed and scale; cost-effectiveness; and the ability to protect a huge swath of low-income renters at risk of eviction, displacement, and homelessness.



Housing Justice for All, New York State March for Universal Rent Control, June 2018. Photo Credit: NYC-DSA

RENT CONTROL'S SPEED AND SCALE OF IMPACT ARE UNRIVALED BY ANY OTHER POLICY OPTION.

Because rent regulations cover private rental housing, they have tremendous reach and impact, and can take effect almost immediately. In cities where it exists, rent control is the largest source of affordable housing. In San Francisco, the number of homes stabilized by rent regulation—173,000 units—is three times the number of affordable units provided through all other rental housing programs.⁴⁹ In New York City, rent-regulated stock houses nearly one million families and twice the number of low-income households live in rent-regulated stock than in public and subsidized housing combined.⁵⁰ We estimate that if current rent control campaigns in six states (California, Colorado, Illinois, New York, Oregon, and Washington) and two cities (Philadelphia and Providence) succeed, 12.7 million renter households will be stabilized. The vast majority of these renters are low- or moderateincome (75 percent) and most of them are rentburdened (52 percent). Over the longer term, if all states implemented rent control, 42 million renter households could be stabilized.⁵¹

"RENT CONTROL SHOULD BE VIEWED AS A COMPLEMENT TO OTHER POLICIES TO IMPROVE AVAILABILITY AND AFFORDABILITY FOR LOW-INCOME RENTERS. AND IT CAN ACTUALLY HELP INCREASE OUR HOUSING STOCK IF IT IS ACCOMPANIED BY THE NECESSARY STATE-LEVEL POLICIES."

> -Gary Painter, director of the USC Price Center for Social innovation and the Homelessness Policy Research Institute

Rent Control Performs at Scale

In New York City, twice the number of low-income households live in rent-regulated apartments than in public and subsidized housing combined.



In San Francisco, there are 3 times more rentcontrolled housing units than all other affordable units combined.



Source: Community Service Society analysis of 2017 New York City Housing Vacancy Survey; Council of Community Housing Organizations analysis of San Francisco city data.



Santa Rosa resident Teresa Chavez at City Council Hearing. Photo Credit: Francisco Lozano

ANTICIPATED IMPACTS OF RENT CONTROL

	Number of Renter Households Stabilized	Percent Rent- Burdened (Paying > 30% of income on housing)	Percent Low- Income (Household Income <= 80% of median)	Percent Low- to Moderate- Income (Household income <= 120% of median)
CALIFORNIA	5,881,894	55%	57%	74%
COLORADO	273,533	52%	60%	78%
ILLINOIS	1,598,397	48%	62%	79%
NEW YORK	3,125,909	52%	56%	72%
OREGON	499,060	51%	62%	80%
WASHINGTON	1,007,077	47%	59%	77%
PHILADELPHIA, PA	267,418	56%	71%	85%
PROVIDENCE, RI	37,709	56%	71%	84%
TOTAL	12,690,997	52%	58%	75%
NATIONWIDE	41,955,000	49%	56%	74%

Source: PolicyLink analysis of data from the 2016 5-Year American Community Survey and the Affirmatively Furthering Fair Housing Data and Mapping Tool. See methodology in Appendix.

RENT CONTROL IS COST-EFFECTIVE: IT COSTS LITTLE TO IMPLEMENT, AND REDUCES STRAIN ON GOVERNMENT BUDGETS DUE TO THE HOUSING CRISIS.

In wake of federal housing cuts, state and local governments are cash-strapped and in dire need of additional resources for affordable housing and other services. At the same time, rent control is an excellent tool because it can be implemented at little cost and at far lower cost than other affordable housing strategies.

Rent control regulations are administered by rent boards (sometimes alongside state-level agencies, as in New York). Rent boards are fully or largely financially self-sufficient. The rent boards in Santa Monica and Berkeley, for example, do not draw from cities' general funds; they cover all operating costs from fees that are set yearly to match projected expenses. Santa Monica raised its rent board budget of over \$5 million in 2018 by charging landlords a monthly registration fee of \$16.50 per unit; the board has 26 full-time staff and oversees over 27,000 units.⁵² In the short-term, rent boards may have limited startup costs. In Richmond, California, this was roughly \$1 million for its first year.⁵³

Other affordable housing policies are far more expensive than rent control. For example, in 2013, Berkeley's program stabilized 19,000 units at a cost of \$4 million, while it would cost \$20 million to provide housing vouchers to 2,200 low-income renter households; or \$220 million to build or rehabilitate 2,200 affordable units through a housing trust fund.⁵⁴ By preserving affordability on a widespread basis, rent control helps local governments stretch limited funds for subsidized housing much further.

The costs of rent stabilization programs would be offset by the relief they offer to city budgets strained

by homelessness and the housing crisis. The cost of leaving a person out on the street is over \$35,000 per year—money that is largely spent on publicly funded crisis services such as emergency medical treatment.⁵⁵ The Urban Institute estimated that housing insecurity and eviction costs cities millions annually in homeless services, unpaid utilities, and more: up to \$157 million of Chicago's total budget of \$7.7 billion, for example.⁵⁶

RENT CONTROL DISPROPORTIONATELY HELPS TENANTS MOST IN NEED.

As with any consumer protections, rent control is not means-tested, and applies to renters of all incomes. This is a feature, not a flaw: Universal policies like rent control can be more effective at promoting largescale social equity than means-tested policies that are available only to a small fraction of those in need. Additionally, means-testing for rent regulations would incentivize landlords to discriminate against lower income tenants.

Rent control is critical for—and disproportionately benefits—those most harmed by rising rents and displacement, including seniors, people living with chronic illness or disability, and families with children, as well as the following groups:⁵⁷

• Low-income tenants. In New York City, 66 percent of households living in rent-stabilized units are low-income, a much higher proportion than those in market-rate rentals; seniors are also concentrated in stabilized apartments.⁵⁸ In Los Angeles, low-income households gained the greatest savings after rent stabilization's passage, with average rents 40 percent below market rate.⁵⁹ Long-term tenants in rent-controlled units are even more likely to be low-income, people living with chronic illness or disability, seniors, and single parents.⁶⁰

- Communities of color. Studies of rent regulation in Los Angeles, Berkeley, Staten Island, New York City, New Jersey, and Massachusetts (before it banned rent control), show that people of color disproportionately live in rent-controlled homes.⁶¹ In Los Angeles, immediately after adopting rent stabilization, Black renters received the greatest savings for onebedroom units, compared to White renters.⁶² Rent regulation effectively slows gentrification, which is threatening communities of color.⁶³
- Immigrants. As a regulation, rent control reaches low-income immigrants, including those who are not eligible for government housing assistance. In New York City, immigrants are more likely to live in rent-stabilized housing, but less likely to live in subsidized housing, than non-immigrants.⁶⁴ Rent control can help counter the harassment and displacement of undocumented people.
- Women. Rent control disproportionately benefits women-headed households, who are more likely to rent and more likely to be rent-burdened, especially women of color.⁶⁵ Housing stability also benefits domestic violence survivors and protects against abuse (see page 30).

It is important to note that rent control is most equitable when it is strong, without loopholes. As described on page 28, vacancy decontrol has specifically hurt Black renters.⁶⁶

Expanding rent control would also benefit the increasing number of renters living in suburbs, small cities, and rural communities. Single-family rental homes represent nearly three-quarters of the rural rental stock nationwide, and mobile homes represent another 20 percent.⁶⁷ Both these kinds of rental properties are typically lack or are exempt from any rent regulations, yet have increasingly become victim to real estate speculation.

Rent control is a sensible and powerful policy response to the immediate crisis. Moreover, rent regulation is not only a short-term, stopgap measure—it provides vital, long-term benefits, as described in the following section beginning on page 24.

"RENT STABILIZATION ESPECIALLY BENEFITS WOMEN."

"The type of work I did, you can't make much money—you have to do it from your heart," says Gwendolyn Viola Fox Bibbins, a Caribbean-American immigrant who has lived in the same rent-stabilized apartment in Crown Heights, New York City, for 35 years. She worked in a shelter for mothers and babies. "For that social work, I don't have a lot of savings." But with her husband, she raised four daughters and sent them to the local school: "A rent stabilized apartment allowed me breathing space. I just felt safe."

Now as a senior on fixed income, rent stabilization continues to be important: "I can't afford the high cost of living in Brooklyn... My neighbor across the way, her rent is \$1,400 compared to my \$800. People with younger kids, I don't know how they would manage without rent stabilization." She is a strong advocate in the Crown Heights Tenant Union for strengthening rent control.

"When it comes to seniors, especially the women," she continues, "they want to retire, but can't, because they are afraid of not being able to afford the rent. Women make less money than men their working lives. Sometimes they are widowed, and they are still stuck struggling. Women are struggling, and rent stabilization benefits women."



Housing Justice for All, New York State March for Universal Rent Control, June 2018. Photo Credit: NYC-DSA

RENT CONTROL MYTHS VERSUS REALITY: THE EVIDENCE ON UNINTENDED CONSEQUENCES

Rent control is the subject of a great deal of public debate, most of which does not focus on its direct impacts on tenants but on potential indirect effects or "unintended consequences." Unfortunately, while some housing economists have called for an evidence-based approach to understanding rent control, the debate is heavily influenced by anti-rent control perspectives from the real estate industry, as well as "economics 101" theory that says any limit on prices will dampen incentives for building, reduce supply, and increase rents.⁶⁸ However, as economist Gary Painter notes, an equally valid economic theory is that in tight rental markets (where developers and landlords have market power), rent control can increase supply: if housing developers cannot generate extra profit through rent increases, it creates an incentive to build more units.⁶⁹ Evidence suggests this is the case in California, where overall production is too low, but cities with rent control are building far more apartments than cities without regulations.⁷⁰

Researchers at the University of Southern California recently reviewed the literature and found clear positive impacts on tenant stability and affordability (as described in the next section), while the evidence for many negative unintended consequences is weak or inconclusive.⁷¹ Moreover, if there are negative effects, they can be mitigated by closing loopholes, strengthening other tenant protections, and other policies and investments.

RENT CONTROL DOES NOT DECREASE HOUSING PRODUCTION. In general, other factors including overall market conditions and zoning have far more influence over new housing supply than the presence of rent regulations.⁷² Multiple longitudinal studies of rent control in New Jersey have found no discernible impact on construction rates.⁷³ After the repeal of rent control in Boston, construction rates *decreased* for multifamily buildings, even as rents nearly doubled in eight years.⁷⁴

RENT CONTROL IS NOT THE CHIEF CAUSE OF RENTS INCREASING IN NON-REGULATED

UNITS, and can even be protective against such increases. In Massachusetts (before it was abolished), California, and New Jersey, rent control either slightly increased affordability in non-controlled units or had no effect.⁷⁵ One study of rent control in San Francisco found that landlords converting their buildings to condos or otherwise removing them from the rental stock led to a decline in supply and an increase in rents—suggesting that the problem is not rent control itself but loopholes that need to be closed.⁷⁶

RENT CONTROL DOES NOT NECESSARILY LEAD TO DECLINES IN MAINTENANCE.77 The empirical research is ambiguous on the relationship between rent control and building quality. In Boston and elsewhere, the loosening of rent control fueled gentrification and largely cosmetic building improvements.⁷⁸ Yet in New Jersey, rent control had no negative impact on plumbing, a critical health and safety issue.79 When strong eviction protections are in place, rent control can provide tenants with leverage to attain improved conditions (see page 31). In Washington, DC, the share of physically deficient units quickly declined after rent stabilization and 61 percent of tenants said they were more willing to insist on repairs.⁸⁰

THE CASCADING BENEFITS OF STABLE AND AFFORDABLE RENTAL HOMES

Rent control directly improves housing stability and affordability, especially for low-income tenants. And it has a ripple effect, helping low-income households to secure better economic footing, to plan long-term, to give back to their communities—and even, to thrive.



Portland's Titan Manor residents fight their eviction. Photo Credit: Community Alliance of Tenants

Housing Stability

Rent control increases the housing stability of tenants while decreasing the risk of displacement, eviction, and frequent moves. Rent control acts to slow gentrification and serial displacement—protecting the political voice, health, wealth-building, and cultural institutions of low-income communities of color.

RENT CONTROL INCREASES HOUSING STABILITY, PARTICULARLY AMONG RENTERS VULNERABLE TO DISPLACEMENT

Studies of rent control consistently find that tenants living in rent-controlled units move less frequently and are less likely to be forced to move.⁸¹ The stability created by rent control disproportionately benefits



Lift the Ban Coalition in Chicago. Photo Credit: Diego Morales

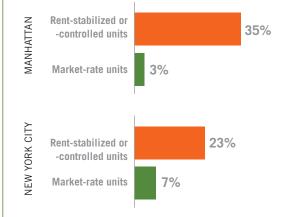
low-income households, people of color, seniors, and families with children, who are most at risk of displacement and forced moves and their negative consequences.⁸² For example:

- Immediately after Los Angeles adopted rent control, the share of renters who moved in the past year decreased by 37 percent, with the rates dropping most for Black and Latinx renters.⁸³
- In New York City, tenants in rent-regulated units were three times as likely as those in market-rate units to have lived in their homes for 20 years or more (23 percent compared with 7 percent). In Manhattan they were 10 times as likely to have that length of tenure (35 percent compared with 3 percent).⁸⁴
- In Santa Monica, the passage of rent control led to a doubling of the proportion of tenants living in their units more than 5 years, while slowing gentrification and halting an exodus of lower income households and families with children.⁸⁵

Rent Control Increases Renter Stability

IN NEW YORK CITY, TENANTS IN RENT-REGULATED UNITS ARE MORE STABLE

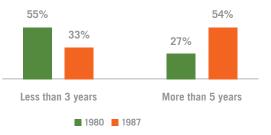
Percent of households that have lived in their unit for 20 years or more



Source: NYU Furman Center, "Profile of Rent-Stabilized Units and Tenants in New York City," Fact Brief (NYU Furman Center, June 2014), 5.

IN SANTA MONICA, RENT CONTROL INCREASED RENTER STABILITY

Percent of renters living in their units less than 3 years and more than 5 years, 1980 and 1987



Source: Ned Levine, J. Eugene Grigsby, and Allan Heskin, "Who Benefits from Rent Control? Effects on Tenants in Santa Monica, California," Journal of the American Planning Association 56, no. 2 (1990).



Newark Renters Day of Action, 2016. Photo Credit: Drew Curtis

"STABILITY IS CRUCIAL TO US BEING ABLE TO TAKE CARE OF EACH OTHER."

"We have the highest rents in the world for apartments that have no rent control-but we don't talk about the success for those that have rent control," says Sarah Fred Sherburn-Zimmer, who has lived in a rentstabilized San Francisco apartment for 10 years. Her father also has a stabilized unit, allowing him to remain in a neighborhood that has gentrified. "Rent control keeps housing affordable. Your landlord can say, 'I want to raise the rent a thousand dollars,' and you can [refuse]. If you look at other cities without rent control, a huge percentage of people have been displaced, that are crucial to us being able to take care of each other."

RENT CONTROL IS ONE OF THE RARE TOOLS THAT EFFECTIVELY PREVENTS DISPLACEMENT DUE TO GENTRIFICATION.

Displacement due to rising rents is rapidly devastating low-income neighborhoods.⁸⁶ Rent control is a main factor allowing the remaining lowincome households in San Francisco and gentrifying areas of New York City to continue living in their neighborhoods.⁸⁷ Only 1 out of 15 poor renters who remain in gentrifying New York City neighborhoods rents in the unregulated market—48 percent live in stabilized units and the rest largely live in public housing.⁸⁸ Meanwhile, a comparison of jurisdictions with vacancy control in California to those without it found tighter controls to be more protective against displacement.⁸⁹

Affordability

Rent control improves affordability for tenants in rent-controlled units—reducing financial strain and freeing up resources to spend on other household needs.⁹⁰

In cities with rent regulations, median rents in stabilized units are hundreds of dollars cheaper than those in unregulated units:

- In Manhattan, monthly rents were about \$1,500 less in stabilized units in 2017.⁹¹
- In Cambridge, Massachusetts, before rent control was abolished, rents in stabilized units were 44 percent lower than those in non-stabilized units of comparable size, quality, and characteristics.⁹²

"IT'S ABOUT HAVING A GROUND TO STAND ON."

"As a young professional, rent regulation has benefited me because it has allowed me to build up savings, and not feel anxious about next year's lease," says Phara Souffrant, a Caribbean-American in Crown Heights, New York City and member of the Crown Heights Tenant Union. At age 29, she has lived in the same apartment for 27 years. Moreover, she emphasizes, "It's not just about the money. It's about having a ground to stand on."

In her 84-unit building, a third of tenants have lived there more than 50 years, and the majority have stayed over 15 years. "You have people that are invested in the neighborhood for the long run," she says. She spent New Year's "at my neighbor's apartment I've known since I was five."

"Rent regulation doesn't decrease services," she adds. "Because of rent regulation we have stricter building codes," providing the basis for residents to organize for "clean floors, working lights, elevators fixed." Rent Control Saves Tenants Thousands Per Year: Annual Rent in Rent Stabilized and Non-Stabilized Units in Los Angeles, New York City, and Manhattan



Source: Los Angeles data from USC PERE (Program for Environmental and Regional Equity) analysis of 2012-2016 American Community Survey data; New York City and Manhattan data from New York City Department of Housing Preservation & Development analysis of 2017 New York City Housing and Vacancy Survey.



Organize Florida General Assembly. Photo Credit: Giovanni Bravo



First Homeowners Association stands against displacement with Rep. Mia Gregerson in Seatac, WA. Photo Credit: Amy Tower, Tenants Union of WA

Rent control also preserves affordability in gentrifying neighborhoods. During the late 1990s, rent for unregulated apartments in New York City's gentrifying neighborhoods increased by an average of 43 percent—compared to 11 percent for rentstabilized apartments in these neighborhoods.⁹³ By 2009, unregulated rents were an average of 52 percent higher than regulated rents.⁹⁴

Rent control is more effective at preserving affordability when rent increases are limited between tenancies. In California, jurisdictions with rent control and vacancy control had median rents \$117 lower than adjoining areas that either lacked vacancy control, or rent control completely.⁹⁶ In Santa Monica, prior to vacancy decontrol, rents for 83 percent of controlled units were affordable to households that are low, very low, and extremely low income. In contrast, since vacancy decontrol, less than 4 percent of stabilized rental units today are affordable to such households.⁹⁷ Additionally, vacancy decontrol has contributed to the displacement of Black renters in California: while the share of Black renters increased in California cities with strong rent control, it decreased in those adopting vacancy deregulations which allowed landlords to raise rent without limit between tenancies, likely pricing out Black tenants.98

Cities with weakened rent controls are suffering worsening unaffordability as a direct result. Nevertheless, evidence from Los Angeles shows that even moderate rent controls have some positive impact on affordability.⁹⁹

"IF I DIDN'T HAVE RENT-STABILIZED HOUSING, I'D BE IN A SHELTER OR IN THE STREET."

"If I didn't have rent-stabilized housing, I'd be in a shelter or in the street," says Vaughn Armour, a senior, long-time resident of Crown Heights, New York City, and member of New York Communities for Change, who has lived in his current rent-stabilized apartment for 17 years. "I live in the capital of gentrification in New York state. My neighborhood is diverse. Rent regulations protect us."

Rent control provided Armour with a basis to advocate for better conditions in his building: "The elevator is always breaking down. My stepson is disabled, he had a wheelchair. We said we were going to take \$150 out of your rent... I know the rent laws... The elevator was repaired. And they are going to replace [it]."

Broader Economic and Social Benefits

When renters thrive, they lift up their communities. Stable, affordable housing offers far-reaching and long-term benefits that ripple across society boosting local economies, improving health and educational attainment, increasing environmental sustainability, and strengthening democracy.

STRONGER LOCAL ECONOMIES

Rent control is a win-win policy that supports more inclusive prosperity. While landlords continue to profit, rent control supports the economic security of renters and channels resources toward forms of economic growth that are more likely to create jobs and bolster small businesses than real estate speculation. Employers also benefit, since stable housing increases productivity and retention. Widespread rent control would have the following impacts:

• More money in renters' pockets, boosting local economies. If no renters paid more than 30 percent of their income on housing, they would have an extra \$124 billion annually—

THE COST OF LOSING RENT CONTROL: MASSACHUSETTS

The cities of Boston, Brookline, and Cambridge had rent control until 1994, when it was abolished through a public referendum. After rent control ended, the costs of rent-controlled units as well as non-regulated units rose dramatically. Between 1991 and 2001, median rents for a two-bedroom apartment doubled, and homelessness nearly doubled. And though real estate groups argued that ending rent control would increase construction, the vacancy rate *dropped* from 4 percent under rent control to 2.9 percent four years after the regulations were abolished.⁹⁵ approximately \$6,200 per rent-burdened household.¹⁰⁰ The greatest gains would go to renters of color, reducing racial inequity. When low-income households gain income, they are more likely than higher income households to actually spend these extra funds, creating local business activity, employment, and tax revenues.¹⁰¹

- Low-wage workers can continue to live in higher cost cities and benefit from wage increases. California, Massachusetts, and New York, along with cities from Seattle to Saint Paul, have raised their minimum wages to \$15/hour, but rising rents and displacement (often to outlying areas with lower minimum wages) prohibit workers from realizing these hard-fought gains. Rent control is an essential complement to the Fight for \$15 and other policies that "raise the floor" for lowwage workers such as paid leave and wage theft prevention. Rent control helps those who perform undervalued care labor—social workers, teachers, nurses, childcare providers, low-wage service workers—continue to live in high-cost cities.
- Small businesses remain in gentrifying neighborhoods. Small, local businesses that rely on lower income clientele often struggle to stay in business when neighborhoods gentrify and their customer base dwindles.¹⁰² Yet they are at the frontlines of hiring local, low-income people of color who often face discrimination from larger chains. Rent control helps to keep their customer base and workforce in place while boosting their spending power.
- Improved employee performance and retention. The largest metro areas are responsible for most of the country's economic growth, but unchecked housing costs limit their potential.¹⁰³ Housing instability can make it challenging to find and keep employment: people who experience eviction, for example, are up to 22 percent more likely to be laid off, even with a stable employment history.¹⁰⁴ Displacement and the negative health impacts of housing instability lead to absenteeism, reduced productivity, and higher turnover—significant costs for employers. Unaffordable rents also hamper firms from attracting or retaining employees.

"UNDER RENT CONTROL, WE CAN LIVE HERE."

Doroteo Garcia has lived in his stabilized unit in East Palo Alto for 12 years, and works as a janitor in nearby Stanford University. It's close enough so he bikes to work-a 20-minute commute. In contrast, many of his co-workers commute from outlying suburbs that are two to three hours away and don't have rent control. Garcia explains, "They're very stressed every day because they don't know how much their rent will increase." Co-workers complain of spending over half their paychecks on rent, while Garcia pays roughly a third of income for rent, allowing him to support extended family in the U.S. and Mexico.

Recently, a single new company–Equity Residential–bought Garcia's building and 1,900 other units in East Palo Alto, acquiring most of its apartment stock. It sent tenants illegal rent increases and eviction notices en masse, but many used rent stabilization to fight back. Garcia discovered he was being overcharged, and won a \$2,000 rebate by filing a petition with the rent stabilization board.

"All of this neighborhood, 70 or 80 percent are immigrant[s], Latinos," Garcia says of his community. "We work in lowincome jobs: construction, gardens, restaurants, cleaning. Under rent control we can live here. If we move from here, I don't know where I can go." He jokes: "Back to Mexico?"

HEALTHIER PEOPLE AND COMMUNITIES

Access to stable, safe, and affordable housing has a profound impact on mental and physical health.¹⁰⁵ Here is how the increased stability and affordability brought about by rent control can improve health:

- Reduced financial strain relating to unaffordable rent, which harms health. A 2018 study of more than 22,000 low-income renter households in five cities found that, controlling for other factors, just being behind in rent was associated with poor caregiver health, maternal depressive symptoms, and increased child lifetime hospitalizations.¹⁰⁶ People having trouble paying rent are twice as likely to take sick days, and their children are at risk of developmental delays.¹⁰⁷ Those worried about affording their housing are three times more likely to be in frequent mental distress compared to those with stable housing.¹⁰⁸
- Fewer unhealthy trade-offs due to unaffordability. Rent-burdened families suffer worse health outcomes due to lack of funds for nutritious food, medicine, and healthcare.¹⁰⁹ When low-income families pay rents they can afford, they are able to spend four times as much on healthcare, and 50 percent more on food, compared to their severely cost-burdened peers—making them more likely to get healthcare and necessary medication.¹¹⁰ Rent control helps protect domestic violence survivors, since affordable independent housing is a decisive factor in helping women leave abusive situations, recover from PTSD, and avoid revictimization and homelessness.¹¹¹
- Reduced catastrophic health impacts from displacement and homelessness. Displacement is a public health crisis: even the threat of displacement harms health, and the health consequences of forced moves are long term.¹¹² A study of 12,882 New York City residents found that controlling for other factors, those displaced from gentrifying neighborhoods had higher rates of emergency room visits, hospitalizations, and mental health-related visits, compared to their counterparts who remained—or who lived in low-income neighborhoods that were not gentrifying.¹¹³ Other studies have found that



Katrina Holland of Community Alliance of Tenants (CAT) speaks at the Oregon Renter State of Emergency Rally in 2015. (In memory of past CAT director, Justin Buri pictured here.) Photo Credit: Ted Doranila

forced moves are linked to nutritional deficiency, low birthweight and other health challenges for children, and can be fatal for seniors and those with disability or chronic illness.¹¹⁴ In contrast, housing stability is linked to better self-rated health, decreased depression and anxiety, and improves the conditions of people with mental illness, chronic disease like HIV/AIDS and diabetes, and substance abuse problems.¹¹⁵

• Reduced environmental health risks through better maintained buildings. When paired with mechanisms for tenants to hold landlords accountable for maintenance, rent control can help ensure critical health and safety standards, reducing hazards like lead and mold, which are linked to asthma and other illnesses (see sidebar, right, and p. 23).¹¹⁶

IMPROVED EDUCATIONAL OUTCOMES

• Increased school attendance, promoting educational attainment. Children who move frequently have more absences, lower likelihood of finishing school, lower test scores, and educational delays.¹¹⁷ With every move, a student loses an estimated three to six months of education, resulting in delayed literacy and skills.¹¹⁸ Students who experienced no moves are over 10 percent more likely to graduate than those who moved three times during their childhood.¹¹⁹ Rent control can also help teachers who are increasingly underpaid and rent-burdened to continue in their profession. A national survey found one in four former teachers would consider returning to teaching if offered housing incentives.¹²⁰

"WE WERE ABLE TO KEEP ROACHES AND MICE OUT, GET PLUMBING LEAKS FIXED, NEW ROOFS ON."

Bill Cavellini was a long-time tenant in rentcontrolled apartments in both New York City and Cambridge, Massachusetts, when rent control was still in place. He recalls, "When conditions got bad in our building, we let the landlord know. If the landlord didn't do anything, we withheld our rent. We went on rent strike twice. Not only that, we organized other buildings of the same landlord, so we had a citywide tenant union," says Cavellini. "They couldn't evict us, because they had to go through the rent control board first. If we brought code violations into the rent control board, they would not grant evictions." Escrow provisions enabled the tenants to contest rent increases and withhold rent without retaliation.

"The condition of rent-controlled buildings was at least up to code, in every building where we had organization. We were able to keep roaches and mice out, get plumbing leaks fixed, new roofs on," he asserts. At the same time, the rent control law allowed for capital improvements; "it wasn't oppressive to landlords."

"I WALK TO WORK. MY CHILDREN COULD STAY IN THE SAME SCHOOLS."

"My children had a chance to go to local schools," says Evangelina Lara, who has lived in the same rent-stabilized apartment in Oakland for 20 years. "For me, as a mom, it was very positive my children didn't have to move constantly. For other families, I see that having to change schools, because they're moving to Manteca or other locations, affects the children. They have to make constant transitions and new friends. They can fall behind. My children were able to have strong roots here. That's why they're here in the neighborhood still, today. I value that—this is their community."

Lara's four children, who grew up in her apartment, now all live in rent-stabilized housing in her neighborhood. "I want to stay here. Oakland is my home," she says. "I don't have the option of moving... My job is a block and a half away. I walk to work."

Recently, Lara's building was bought by a large corporation that sought to evict all the tenants by illegally raising the rent, and then flip their units. Using protections under Oakland's rent control laws, Lara and her neighbors saved their homes: "We made a petition to the Oakland rent control board... We kept paying the rent increase... while we fought our case... After two hearings... we won a total of \$6,000, to [compensate for] the increase, and had our monthly rent returned to the previous rate. I pay \$521. New families pay \$1,350 for the same unit. That's the market rate now. That's a big difference."

CLIMATE-FRIENDLY DEVELOPMENT

• Equitable transit-oriented development. Antidisplacement policies, including rent control, are necessary to realize the equity and environmental benefits of transit-oriented development. Lowincome households use transit more than wealthier households, so when transit-rich areas gentrify and low-income households are replaced by higher income households, transit ridership decreases and car usage increases.¹²¹ Those same displaced low-income workers often commute longer distances, typically by car, because they are still tied to jobs and services in the urban centers from which they were displaced.¹²²

"CHILDREN KNOCK ON THE DOOR AND THEY DON'T MAKE PLAY DATES."

"Rent stabilization... gives a sense of peace that a lot of people don't have," says Javanni Brown, an East Palo Alto resident who has lived in the same stabilized apartment for 10 years. Brown is a preschool program coordinator in neighboring Palo Alto, and mother of three: "I have predictability, and [as] the primary income that comes in, the benefit of being able to still have my family in one spot... even on a single income."

She loves the "sense of community" rent stabilization has helped foster in her ethnically diverse neighborhood, which is Latinx, Black, and Polynesian: "Children knock on the door and they don't make play dates."

A STRONGER AND MORE INCLUSIVE DEMOCRACY

• Stronger civic engagement and more resilient racial and cultural communities. Stable, affordable housing allows renters additional time and resources to participate politically, volunteer, and give back to their communities. A study of Atlanta found that gentrification is linked to decreased voter turnout among historically disenfranchised groups.¹²³ In addition, rent control can anchor communities of color in place, guarding their political representation, cultural and civic institutions, and small businesses. When allowed to build wealth that stays in their communities, historically Black neighborhoods have been vibrant cultural centers and bulwarks against job discrimination. Immigrant enclaves connect new migrants to culturally and linguistically specific supports, services, and jobs.

"IT'S NOT JUST A RENTERS' ISSUE. WE ALL RELY ON RENT CONTROL, TO HAVE A VIBRANT COMMUNITY."

"Chinatown is the gateway for a lot of immigrants. [It] has the schools, the community organizations necessary for immigrants to adjust and thrive in the U.S.," explains Adrian Leong, an organizer with the Chinese Progressive Association in San Francisco. The group and other community partners provide vital language and other services that help working-class residents fight for an affordable Chinatown. "Many Chinese immigrants have gotten union hotel jobs, after taking English classes here at City College, while non-unionized restaurant workers come to [us] to win back stolen wages. I really see this as a place where folks can learn the skills necessary to lead a dignified life in the U.S."

Leong sees firsthand how rent control helps anchor the few remaining working-class communities of color in San Francisco, whose residents would otherwise be forced out of the city. Many community leaders live in Chinatown's rent-stabilized Single Room Occupancies: "It's important for them to be able to stay in Chinatown, to work at the [YMCA], send their kids to school here, buy groceries." With rising unaffordability, Leong emphasizes the need to expand and strengthen rent control, for the sake of not only places like Chinatown, but communities throughout the Bay Area: "I really believe it's not just a renters' issue. Anyone who wants to live close to their families and neighbors can see the benefits of rent control. For homeowners-their children, their bus drivers, their nurses, their teachers, they rely on rent control to have a vibrant community."

MOVING FORWARD: BRINGING Rent control to communities

Rent control is a crucial tool to protect renters from the ravages of the housing crisis and create the stability that is essential to well-being. From Washington to New Jersey, renters are calling on their elected representatives to use the tool of rent control along with other tenant protections to prevent further harm and increase their chances to thrive.



Tacoma renters demand tenant protections outside city hall. Photo Credit: Zack Pattin, Tacoma Tenants Organizing Committee

Three steps forward—each described below—are essential for manifesting the benefits of rent control across the country.

- Strengthen, expand, and protect rent control in the states where it exists
- Establish rent control in more states
- Support tenant organizing in every community

Rent control is also at the leading edge of the movement for housing justice in America, which encompasses a broader agenda for tenant protections, the production and preservation of truly affordable housing, and the development of inclusive communities.

Strengthen, Expand, and Protect Rent Control in the States Where It Exists

Four states—California, Maryland, New Jersey, and New York—currently allow at least some localities to adopt rent control laws, and the District of Columbia also has rent stabilization. In most of these states, only a few jurisdictions are covered: in California, only 15 of 478 municipalities have passed rent control; in New York, a 1974 state law restricts rent stabilization to New York City and four surrounding counties; and in Maryland, rent control is only authorized in Frederick and Washington counties.¹²⁴ The exception is New Jersey where rent control exists in about 120 jurisdictions. Rent control has also been weakened over time in most of these states, reducing its effectiveness and contributing to a net loss of rent-controlled units.

In these states with rent control, policymakers should work to strengthen protections, expand rent control to new jurisdictions, and stave off any further rollback.

STRENGTHEN EXISTING RENT CONTROL LAWS

Strengthening rent control is currently at the center of the policy debates in New York and California, and on the agenda in many other places. New York has the country's longest-standing rent regulations covering 2.5 million renters—but they are set to expire in June of 2019. The Upstate Downstate Housing Alliance is leading a grassroots campaign to expand rent regulations and protections across the state and close loopholes that are leading to rent hikes, tenant harassment, and the loss of affordable rental homes (see text box, p. 36). Momentum is growing: Several candidates were elected to the state legislature vowing to pass universal rent control policies in 2018, and Governor Andrew Cuomo has committed to serious reforms, including ending vacancy decontrol.¹²⁵ In California, tenant advocates were outspent three to one and lost a 2018 ballot initiative to repeal the 1995 Costa Hawkins law that severely limits rent control.¹²⁶ But the debate continues, and Governor Gavin Newsom has pledged to take action to address the crisis ¹²⁷



Organize Florida General Assembly. Photo Credit: Giovanni Bravo

NEW YORK: BUILDING A STATEWIDE MOVEMENT FOR UNIVERSAL RENT CONTROL

The Upstate Downstate Housing Alliance is a diverse coalition of tenants, homeless people, manufactured housing residents, and advocates working to strengthen New York State's rent regulations, halt evictions, and end homelessness.

The Upstate Downstate Housing Alliance campaign for universal rent control is advancing a policy agenda in 2019 that would:

Expand renter's rights to cover the whole state.

Currently, rent stabilization in New York is enabling legislation that allows municipalities in eight of New York's 62 counties (the ones that encompass New York City and its surrounding areas) to opt-in. But as the gentrification crisis spreads out of the New York City metropolitan area, renters across the state need protections. The campaign is fighting to end geographic restrictions in the state's rent control regulations.

Cover more types of housing than are currently protected. Rent regulation in New York State only applies to apartments in buildings with six or more units, built before 1974, that rent for \$2,733 or less. The Upstate Downstate Housing Alliance would bring renters' rights to tenants in smaller buildings and in manufactured home communities, as well as in communities outside of the current areas where rent control applies.

End rent hikes and tenant harassment caused by loopholes in rent stabilization by: 1) Making "preferential rents" (lower rents than landlords can legally collect) last for the duration of the tenancy; 2) Eliminating the vacancy bonus, and individual apartment improvement increases, which together allow landlords to bring rents above the vacancy decontrol threshold and incentivize tenant harassment and eviction; and 3) Eliminating the major capital improvement increases, which allow landlords to pass the cost of repairs onto residents.

For updated campaign information, see: <u>https://www.housingjusticeforall.org.</u>



Housing Justice for All, June 2018 New York State March for Universal Rent Control. Photo Credit: NYC-DSA

EXPAND RENT CONTROL TO MORE JURISDICTIONS

Rent control and tenant protections need to reach more jurisdictions—including in the suburbs where displacement is contributing to rising poverty. In 2015, the cities of Richmond and Mountain View in the San Francisco Bay Area made history by passing rent control and just cause eviction protection ordinances—putting the first new rent control laws on the books in California in 30 years. Just recently, the village of Ossining in New York's Westchester County gained rent control while unincorporated Los Angeles County and the neighboring city of Glendale both passed temporary rent freezes capping rent increases.¹²⁸ Dozens of local campaigns are underway in cities, suburbs, and mobile home communities.¹²⁹

PREVENT FURTHER ROLLBACK

Community and political leaders need to be vigilant and proactive in protecting existing laws from rollback. Despite consistent, broad public support for rent control, it is constantly under attack from the real estate industry. This opposition vastly outspends the tenant movement and finances negative media campaigns that spread false messages that rent control "hurts tenants" or will "kill affordable housing" despite the evidence to the contrary (see page 23).¹³⁰

Common rent control loopholes to remove or avoid include:

- Vacancy decontrol, bonuses, or allowances (see p. 8) contribute to the loss of stabilized and affordable units, incentivize eviction of lowincome tenants, and accelerate gentrification.
- Condo conversion laws and other policies allowing removal of stabilized stock (such as California's Ellis Act). Municipalities and states should limit removals, tenants should get the "right of first refusal" for any units that do get taken off the market, and any stabilized units removed should be replaced.
- Major capital improvements allow landlords to pass on the cost of improvements to tenants, but often allow landlords to charge tenants many times over actual repair costs, are susceptible to fraud, and can encourage harassment and displacement. Surcharges should be time-limited

and capped at a reasonable level, and there should be clear procedures for tenant notification, contestation, and review.

- **Owner move-in provisions** allow tenants to be evicted from a stabilized unit if the owner or their relatives plan to move in. These have been abused to put in new tenants and raise rents. Owner movein should be prohibited for vulnerable tenants as well as restricted in number and scope, and should provide relocation benefits, procedures for landlords to apply for approval, and a process for tenants to contest landlord applications.¹³¹
- **Luxury decontrol** removes units from regulation once rents reach a certain threshold, or the income of the occupant reaches a certain level. It can incentivize rapid eviction to raise rents high enough to trigger deregulation and contributing to the permanent loss of stabilized units.¹³²

"RENT CONTROL COULD HELP PLENTY OF PLACES."

"Newark has a great history of rent control... We're not a wealthy community. This isn't San Francisco or Seattle or New York City," says James Powell, who lives in a rentcontrolled building in Newark and works in New York City. Eighty percent of Newark residents are renters. Its relatively strong rent control ordinance includes vacancy control, while ensuring a fair profit margin for landlords. The law was bolstered in 2014, capping allowed rent increases at inflation, between 0-2 percent in recent years. In 2017, when rent regulations were under attack, residents organized a ballot initiative and got protections restored.133 Powell explains: "The idea is, you want people to have a home, to be able to stay where they are... raise a family where they can." Rent control helps "people who are maybe monthto-month or week-to-week... but they deserve a home, too, a stable place to live."

Establish Rent Control in More States

The renter crisis extends far beyond these four states and rent control needs to be extended to the 46 states where it does not currently exist. This means either directly enacting rent control or removing prohibitions against it in 37 states where it is currently prohibited or preempted. And it also means establishing rent control in the nine states where it is not prohibited (Alaska, Hawaii, Maine, Montana, Nevada, Ohio, Pennsylvania, Rhode Island, and West Virginia).¹³⁴ In 2018, lawmakers in Illinois, Oregon, and Washington began considering legislation to remove their prohibitions on rent control, with Colorado joining in 2019.¹³⁵ Illinois, Oregon, and Washington are planning to implement rent control on a *statewide* basis, immediately providing relief and stability to tenants living across their urban, suburban, and rural communities. Colorado plans to repeal the statewide ban to allow and advance rent control through local policies. As future campaigns move forward, they should adopt the principles for effective rent control described on page 9 and can look to the model legislation for Illinois in the Appendix.

ILLINOIS: LIFT THE BAN COALITION INTRODUCES LANDMARK STATEWIDE RENT CONTROL LEGISLATION

Chicago became a majority-renter city over the past decade, yet the majority of its 1.3 million renters are rent-burdened. Meanwhile, rising rents are leading to displacement. Since 2000, several longtime immigrant gateway neighborhoods experienced dramatic demographic shifts: Logan Square lost more than 19,000 Latinx residents, while Pilsen lost 10,000. In Pilsen, one-bedroom apartments that used to rent for \$500/month are now going for up to three times that amount.¹³⁶ The city of Chicago has also seen one of the largest exoduses of Black households in the nation.

To address the crisis and increase economic well-being and stability for families, more than 20 community organizations have come together to repeal the state ban on rent control and establish rent control. Pushed through by real estate lobbyists and conservative lawmakers (and nearly a carbon copy of the model preemption bill put out by ALEC), Illinois's Rent Control Preemption Act of 1997 prohibits local governments from establishing any rules about how much or how quickly rents can increase.

The Lift the Ban campaign is gaining steam. In November of 2018, 70 percent of 52,500 Chicago voters said they were in favor of lifting the ban, following up on a March 2017 referendum where 75 percent of 16,000 voters said yes to repeal. Voters also just elected a new governor, J.B. Pritzker, who supports repeal.

The coalition's policy proposal (see Appendix, page 43) would establish rent control statewide, setting up six elected rent control boards across the state to implement and monitor rent regulations. All rental units and mobile homes would be covered, and the policy prohibits no-cause evictions and creates a tax credit and repair fund for smaller landlords.

Engaging small landlords has been a key element of the coalition's strategy, and a group of landlords have joined the cause. Simone Alexander, a landlord who has seen others buy properties in her predominantly Latino neighborhood with the goal of renting it out to wealthier White renters explains, "Both renters and small landlords need support in order for Little Village to be a stable community and avoid the widespread displacement that we've seen in gentrifying communities across the city and across the nation."¹³⁷

For updated campaign information, see: <u>http://</u> <u>ltbcoalition.org/</u>

OREGON: PUSHING FOR STATEWIDE RENT CONTROL AND JUST CAUSE EVICTION

In January of 2017, Coya Crespin and 71 other tenants of Titan Manor apartmentspredominantly working-class Latinx and families of color with children-were sent eviction notices from their new California-based investor-landlord. Just days before, all of the tenants in another 18-unit complex received notice that their rents would double.¹³⁸ In a city already reeling from massive displacement of its Black population and other communities of color, the mass evictions and rent increases in cities and towns across Oregon added new fuel to the push for greater tenant protections.139 One positive outcome: a new Portland policy requiring landlords to pay relocation fees of up to \$4,500 when they evict tenants for no cause or raise rents by 10 percent or moreand the same policy is now being considered in Milwaukie, a suburb experiencing gentrification pressures from the new light rail line.¹⁴⁰

But the renter emergency extends far beyond Portland. Between 2011 and 2016, rents shot up by about 50 percent in the towns of Bend and Prineville; rent hikes are occurring in small towns and rural areas across the state; and rural homelessness is up, with more than a quarter of students homeless in rural school districts like Mapleton and Butte Falls.¹⁴¹ This is why tenant groups across Oregon, such as Community Alliance of Tenants and Stable Homes for Oregon Families—a broad coalition of grassroots groups, housing advocates, labor unions, racial equity organizations, education and health professionals, and businesses—are pushing to establish statewide rent control and just cause eviction protections.

They are on the verge of making real progress: Oregon could become the first state to pass statewide price and eviction protections. A policy is moving through the legislature that would establish a rent cap of 7 percent plus inflation per year as well as just cause eviction protections. For tenant advocates, the policy is not perfect: the rent cap could still allow for unaffordable rent increases and only applies to buildings at least 15 years old, the eviction protections only kick in after tenants have lived in their home for a year, and just cause can be circumvented through a three strikes loophole of write-ups for minor lease violations. Nevertheless, it would be an important step forward, immediately protecting a vast majority of renters in Oregon who do not currently have protections.

For updated campaign information, see: <u>http://</u><u>www.stablehomesor.org</u>



Gresham Housing For The People/Vivienda Justa Para El Pueblo in Gresham, Oregon. Photo Credit: Pam Phan

"WE WERE OUTSPENT 17:1 BUT WON!"

Patti Rose lives in a mobile home park in McKinleyville, California. After Wall Street investors bought a neighboring park and raised monthly rents by \$30, she and her neighbors organized and successfully passed a ballot initiative in 2016 for rent control to cover mobile homes in Humboldt County. They took on "\$220,000 of corporate advertising" and "won with our \$13,000 budget." The measure affects nearly 1,000 mobile homes, and pegs rent increases to the Consumer Price Index, limiting them to 3-4.5 percent within tenancies in recent years, and 5 percent between tenancies.

Support Tenant Organizing in Every Community

Tenant organizations and movements are fundamental to rebalancing power and supporting renters over the long haul. History shows how tenant organizations and the broad coalitions they assemble are crucial to winning new rent control policies, improving existing policies, and protecting existing policies from being weakened or dismantled by the real estate lobby once they are in place. These organizations and movements are the crucibles where new campaigns and new strategies are forged, and where people come together across race, income, education, age, and language to create common agendas and advocate for new policies and new rights.

Investing in tenant organizing in all types of communities—from the traditional centers of renter organizing like San Francisco, Boston, and New York, to small towns, suburbs, rural areas, and mobile home parks—is key to making rent control possible.

Rent Control as a Cornerstone for Housing Justice

The movement for rent control is central to the broader struggle for housing justice: a vision for a world in which all people have safe, decent, affordable housing. It is driven by the belief that housing is a human right and a foundation for building strong, stable communities. Tenant rights are crucial to housing justice. Rent control is a key plank of a broader tenant rights platform that also includes strong protections against eviction and harassment; the right to legal counsel; the right of first refusal (to purchase buildings when they are put up for sale); and protections against discrimination based on race, gender identity, sexual orientation, source of income, or criminal records. Housing justice also requires dedicated strategies to end homelessness.

In addition to tenant protections and eliminating homelessness, we cannot achieve housing justice without dramatically increasing the production and *preservation* of truly affordable rental homes. Over decades, unless renewed. rent-controlled stock will naturally deteriorate and shrink as older buildings age out. Key strategies include expanding nonprofit housing development and financing tools, increasing funding for the Department of Housing and Urban Development (HUD), and exploring social housing models such as those in Europe in which the government plays a much larger role in the provision of housing. We must also work to create more inclusive communities that are economically diverse, through inclusionary zoning, community benefits agreements, community land trusts, cooperatives, and other strategies that enable renters to build wealth. And achieving housing justice will require financial reforms to reduce speculation in the rental housing market.

CONCLUSION

Across the nation, renters are rising up and calling for rent control as an urgent solution to alleviate the housing crisis—and it is time for policymakers to heed their call to action.



Lift the Ban Coalition demonstration at the offices of Pangea Properties in Chicago. Photo Credit: Diego Morales

or decades, policymakers have invested in the stability and prosperity of homeowners while leaving the vast majority of renters on their own. But our collective future depends on the health, wealth, and well-being of renters too. As Justice Oliver Wendell Holmes wrote in a Supreme Court decision, "Housing is a necessary of life. All the elements of a public interest justifying some degree of public control are present."

Implementing rent control on a widespread basis is not a panacea, but it is a critical and meaningful step forward. Rent regulations will curb the growing power imbalance between landlords and tenants that is causing harm and immediately halt the pain, stabilize renters, and set us on a new path toward greater housing security and housing justice.

The stakes are enormous, and so is the upside: right now, 12.7 million renter households stand to benefit if policymakers say "yes" to rent control in the places where new policies are being debated. Rent control is the right choice in the face of our renter emergency. And it is the smart choice: when renters thrive, their families, communities, and local economies thrive.

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Santa Cruz's renter movement. Photo Credit: Movement for Housing Justice Santa Cruz

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Austin Mobile Homes Union Action. Photo Credit: Kevin Borden

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APPENDIX

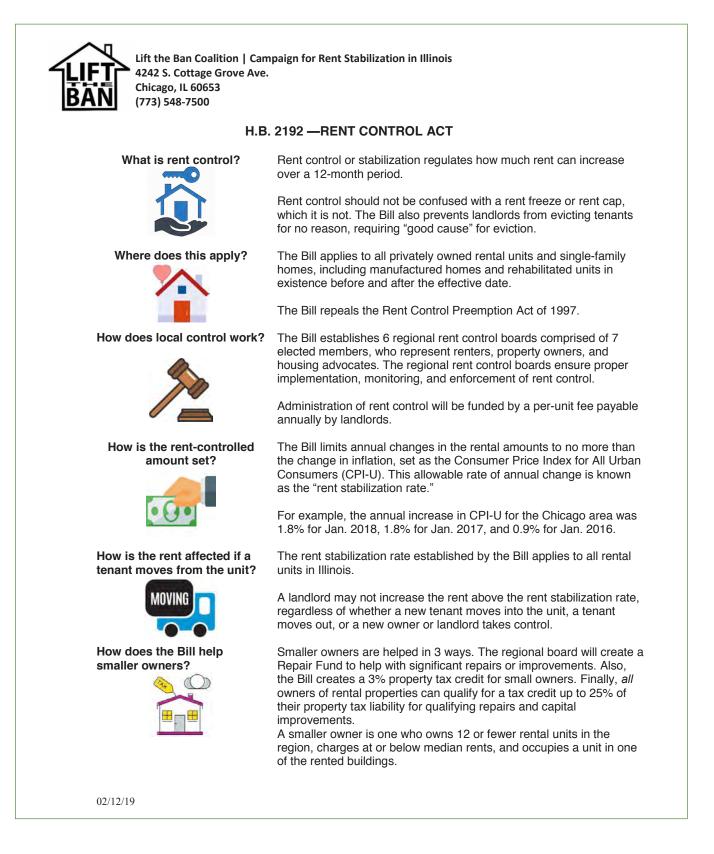
Methodology for Estimating the Potential Number of Renter Households Stabilized with Rent Control

PolicyLink analyzed the potential number of renter households stabilized under two scenarios: 1) near term, if current rent control campaigns underway in six states and two cities are successful within a five-year period, and 2) longer term, if rent control was implemented on a national basis. For New York, we used the calculations generation by the Housing for All Campaign which exclude 1-5 unit buildings in New York City where the owner lives in the building. For our own calculations, we assumed that all rental units of any building size and any year of construction would be covered for all geographies through 2016, with the exception of Oregon, where the current legislative proposal covers buildings at least 15 years old, so we counted rental units built before 2000 (the closest year available in the IPUMS data). For California, New York, Oregon, and Washington we assumed statewide coverage. For Colorado, we assumed successful campaigns to remove the prohibition on rent control and to establish rent control in the following cities: Denver, Aurora, Boulder, Fort Collins, and Westminster.

We used 2016 5-year American Community Survey microdata from the University of Minnesota IPUMS-USA database and also public housing data from the Affirmatively Furthering Fair Housing Data and Mapping Tool, Data Version AFFHT0004. Universe includes renter households, excluding group quarters households and households that enroll in public housing programs. A household is considered to be living in a rent control eligible unit if the unit is within a building structure, regardless of the number of units in the structure, as well as if the unit is a mobile home/trailer, boat, tent, or van. Units are also considered to be rent control eligible regardless of the year in which the structure was built, with the exception of Oregon as noted above. We also calculated the share of these households that are rent-burdened and that have incomes at or below 80 percent and 120 percent of the median household income for the locality. We needed to adjust the rent-burdened numbers to exclude public housing households. Data on rent burden among those in the public housing program were not available at the state and city level so we assumed the national rate of rent-burden for public housing households (52 percent) based on data in the 2017 HUD report, Characteristics of HUD-Assisted Renters and Their Units in 2013. To calculate the national estimate of the number of rental units stabilized and percent rent-burdened, we assumed the share of all renters in public housing (2.5 percent) and share of all renters paying more than 30 percent of income on rent who are in public housing (2.3 percent). For local, state, and national estimates of households with low and moderate income, we assumed that all public housing households had income at or below 80 percent of the median income in each geography. Public housing households were excluded from the total renter households with income at or below 80 percent and 120 percent of the median income. The numerator for the calculation of the share of rentburdened households and households with incomes at or below 80 percent and 120 percent of the median in New York state includes the 1-5 unit buildings with owners that was excluded by the Housing for All Campaign, due to data limitations. Median household income was determined for each state and place. State estimates use the state median household income, city estimates use the median household income of the metropolitan statistical area, and the national estimate is based on the national median household income. Rent burden is defined as spending more than 30 percent of household income on rental costs, including contract rent and utilities.

Model Statewide Rent Control Ordinance, Illinois (HB 2192)

See bill language at: https://bit.ly/2H55IxU



NOTES

- 1. Name changed to protect anonymity.
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- 5. PolicyLink/PERE analysis of American Community Survey data. Based on the number of renter households and people living in renter households that are rent-burdened, defined as paying more than 30 percent of their income on rent and utilities. Low-income renter households are defined as those living at less than 200 percent of the federal poverty level, \$24,000 for a single person or \$50,200 for a family of four.
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- 82. See notes 57-63. For evidence on rent control's disproportionate benefits to low-income households, see Newman and Wyly, "The Right to Stay Put, Revisited"; Linneman, "The Effect of Rent Control on the Distribution of Income among New York City Renters"; Levine, Grigsby, and Heskin, "Who Benefits from Rent Control?"; Diamond, McQuade, and Qian, "The Effects of Rent Control Expansion." For benefits to people of color, see: Clark and Heskin, "The Impact of Rent Control on Tenure Discounts and Residential Mobility," 115; Kelekian et al., "Rent Stabilization and the Berkeley Rental Housing Market," 17-18; NYU Furman Center, "Profile of Rent-Stabilized Units and Tenants in New York City," 7; Sims, "Rent Control Rationing and Community Composition," 11; Ambrosius et al., "Forty Years of Rent Control." For benefits to seniors, see Clark and Heskin, "The Impact of Rent Control on Tenure Discounts and Residential Mobility"; Kelekian, "2009 Survey of Tenants"; Kelekian et al., "Rent Stabilization and the Berkeley Rental Housing Market"; Glaeser, "Does Rent Control Reduce Segregation?"; Gyourko and Linneman, "Equity and Efficiency Aspects of Rent Control." For benefits to persons living with disability, see Kelekian, "2009 Survey of Tenants"; Kelekian et al., "Rent Stabilization and the Berkeley Rental Housing Market." For benefits to families with children, see Levine, Grigsby, and Heskin, "Who Benefits from Rent Control?".
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