



CITY COUNCIL WORK SESSION AGENDA

CITY OF GREENBELT
25 Crescent Road
Greenbelt, MD 20770

**OCTOBER 8, 2025
7:30 PM**

I. WORK SESSION

1. Work Session - Rent Stabilization Update and Presentation

Suggested Action:

Councilmember Pompei and other members of Council requested this work session to be scheduled.

1. Introductions — 10 minutes (7:30-7:40 p.m.)
2. Presentation by Dr. Christina Stacy, Urban Institute (7:40-8:25 p.m.)
 - National research and evidence on rent stabilization
 - Lessons learned from other jurisdictions
 - Policy design considerations (permitted rent increases, coverage, unit decontrol, exceptions, tenant protections, enforcement)
 - Regional context, including Prince George's County's current policy framework
3. Council Discussion — 15 minutes (8:25-8:40 p.m.)
4. Questions and Answers — 15 minutes (8:40-8:55 p.m.)
5. Other Items — 15 minutes (8:55-9:10 p.m.)
 1. Informational Items



Rent control and the supply of affordable housing

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ABSTRACT

We generate the first cross-city panel dataset of rent control reforms and estimate their effect on the supply of rental housing overall and across varying levels of affordability. To identify reforms, we use machine learning algorithms to analyze over 76,000 newspaper articles from 7000 news outlets, spanning 27 metropolitan areas and >4000 census places across the US between 2000 and April of 2021. We then manually validate identified articles to ensure accuracy and combine these data with rental unit counts by affordability level, created using Census microdata. To assess the impact of rent control reforms on rental supply, we employ a two-way fixed effects model with place specific time trends and examine the robustness of our results with a staggered treatment design. Our results provide evidence that more restrictive rent control reforms are associated with a 10-percent reduction in the total number of rental units in a city. When stratified by affordability (based on U.S. Department of Housing and Urban Development definitions of affordability), these reforms lead to an increase in the availability of units affordable to extremely low-income households by about 52 % (with a lower-bound effect equal to 11 %), offset by a decline in units affordable to higher-income households of about 46 % (with a lower-bound estimate equal to 4 %). These findings highlight the complex trade-offs inherent to rent control policies, illustrating differential impacts across income groups and underscoring the nuanced nature of such interventions.

1. Introduction

Rent control is a long-standing and controversial policy. It was first enacted in the United States around 1920, and then expanded during World War II as rent freezes or a hard ceiling on rents (Arnott, 1995; Fetter, 2016; Fogelson, 2013).¹ Rent control has two primary goals:

preventing rapid rent increases and keeping qualified units below market rates. In recent years, rent control regulations have reemerged as a potential solution to the housing affordability crisis. Seven states had rent control policies in place at the state or local level, and >200 municipalities had some form of rent regulation as of 2022 (Rajasekaran et al., 2019; National Apartment Association, 2024). Concurrently,

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¹ Although we use the terms rent control and rent stabilization interchangeably throughout this article, there are important differences between the two. Traditional rent control policies capped the rent landlords could charge for protected units. Rent stabilization allows rent to increase each year, with the increase limited and applied to the prior year's rent. Modern rent control policies often mimic rent stabilization, allowing for periodic increases to rent based on a pre-determined formula.

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many existing rent control policies have been repealed, weakened, or banned through local and state-level legislations. For instance, Montana and Florida preempted rent control in 2023, and Ohio preempted it in 2022 (National Apartment Association, 2023).

Rent control policies are complicated and controversial due to mixed findings demonstrating positive, negative, or neutral effects on housing outcomes. Heskin et al. (2000), Diamond et al. (2019), and Asquith (2019) find that the implementation of rent regulation decreases the existing rental supply, while Goetz (1995), Gilderbloom and Markahm (1996), Glaeser (2002), Gilderbloom and Ye (2007), Sims (2007), Gaffney (2021), Jofre-Monseny et al. (2023), and Ambrosious et al. (2015) find no significant effect or mixed effects on the quantity of rental housing stock or construction. The heterogeneity in findings is predominantly driven by the assumptions made in each study, the outcomes of interest, the institutional features of each policy, and the local housing market conditions where they are implemented (Been et al., 2019; Gibb et al., 2022; Rajasekaran et al., 2019). For instance, some rent control policies include vacancy decontrol, allowing landlords to raise rents to the market rate or exclude units from regulation after a vacancy, while others ban it, each yielding different results (Nagy, 1997; Stacy et al., 2021).

The current body of research is also limited in geographical scope. Most of the literature focuses on only a few well-known rent-controlled jurisdictions or jurisdictions within a single state. New York City received much attention in the 1970s and 1980s, but there have been no empirical studies based on New York since 2000. Washington, DC — a large city that has had rent control for the last three decades — has received virtually no attention in the literature. Even for areas that have been studied thoroughly, there is virtually no data on the changes in rent control laws over time. For example, cities within New Jersey saw their rent control regimes watered down in a series of small changes throughout the early, 2000s, making the policy significantly less restrictive (Ambrosious et al., 2015).

In this paper, we begin to fill these gaps by investigating whether rent control policies increase or decrease the overall supply of rental housing across a wide variety of housing markets and policy regimes, and whether such policies enhance or constrain the availability of affordable rental housing. To do so, we generate two novel datasets to undertake the first cross-city panel analysis examining the effect of rent control reforms on rental housing supply. First, we use machine-learning to identify 96 rent control and rent stabilization reforms across 27 US metropolitan areas between 2000 and April 19th, 2021. Our analysis covers >4000 census places—including cities, towns, villages, and boroughs—which serve as our unit of analysis, as rent control laws are typically implemented at this level. Recognizing that rent control reforms across jurisdictions can vary in intent and effect, we also identify and separate reforms by those considered more and less restrictive. We define more restrictive reforms as those that increase ownership costs or reduce revenues for landlords, or create more favorable conditions for tenants. We define less restrictive reforms as those with an opposite effect. For example, a reform that reduces the allowable rent increase from 5 % to 3 % would be a more restrictive reform, since it reduces revenues for the landlord and creates more favorable conditions for tenants. Alternatively, a reform that raises the allowable rent increase from 5 % to 7 % would be coded as a less restrictive reform, since it increases potential revenues for the landlord and reduces benefits to the tenant. As a real example, Richmond, California enacted a rent control reform in 2015 that pegged rent increases to 100 % of the CPI for the region, or roughly 2.3 % a year. Since this was a new law, it was coded as more restrictive. Alternatively, in 2001 San Francisco underwent a reform that allowed landlords to make renters in controlled units pay for apartment building improvements, which increased potential landlord revenue and was thus coded as a less restrictive reform.

Our second novel dataset includes detailed information on the rental housing supply across affordability levels in Census places (hereafter cities). We are able to identify affordability levels using Census micro-data at the Federal Statistical Research Data Center (RDC), specified as

the number of rental housing units — both vacant and occupied — within each affordability range based on the Department of Housing and Urban Development's (HUD) measure of Area Median Income (AMI). We use rental housing counts affordable to households that make <30 % of AMI (extremely low-income households), those affordable to households that make between 30 and 50 % of AMI (very low-income households), those affordable to households that make between 50 and 80 % of AMI (low-income households), those affordable to households that make between 80 and 100 % of AMI (moderate income households), those affordable to households that make between 100 and 120 % (upper moderate income households), and those affordable to households that make above 120 % of AMI (higher income households). These data are available from the 2000 Decennial Census and each five-year American Community Survey between 2005–2009 to 2017–2021, allowing for 14 periods to analyze effects. Our intent is not only to examine how rent control reforms affect supply overall, but also the effect of these policies on supply across the spectrum of rental prices.

We utilize a two-way fixed effects model with place specific time trends to estimate the effect of rent control reforms on the supply of rental units. We find that rent control is associated with a 10.4 % reduction in the total number of units in a city. This aligns with theory and previous literature regarding the impact of rent control on total supply.

We are also able to determine whether all income levels are affected uniformly by focusing on the number of rental units affordable at different AMI's. We find this not to be true: rent control is associated with statistically significant increases in units affordable to extremely low-income households (i.e., those making <30 % of AMI), with decreases to the total supply driven by a reduction in units affordable for those with incomes above 120 % of AMI. On average, we observe an increase in low-income units equal to 52.3 % and decrease in high-income units equal to 46.2 %, with lower bounds equal 11 % and 4 %, respectively. In our falsification tests, we do find some evidence of pre-existing trends in the data; cities that enacted rent control reforms were already declining in *total* supply at a faster rate than control cities prior to the reforms. This suggests our estimate is a lower bound on the true effect. However, pre-trends do not exist for our estimates related to the supply of deeply affordable units. While theory suggests pre-existing trends may also exist for these units since places that are already losing affordability are more likely to enact rent control, those estimates may also be a lower bound on the true effect.

2. Literature on rent control and housing supply

Rent control and rent stabilization have been studied extensively by academics and other researchers, with a recent resurgence in interest in the wake of the housing affordability crisis and newly enacted rent control policies across the US.² For brevity, we focus here on studies

² Research examining rent control is extensive, with a large number of topics outside the purview of the current study. Such topics include the effects of rent control on: different income groups or the racial mix of an area (Ault and Saba, 1990; Early, 2000; Gilderbloom and Ye, 2007; Glaeser, 2002; Gyourko and Linneman, 1989; Heskin et al., 2000; Levine et al., 1990; Linneman, 1987; Olsen, 1972; Sims, 2007, 2011), commute times (Krol and Svorny, 2005), unemployment duration (Svarer et al., 2005), property maintenance or quality (Breidenbach et al., 2022; Gilderbloom and Ye, 2007; Gyourko and Linneman, 1989; Mengle, 1985; Moon and Stotsky, 1993; Sims, 2007), mobility (Ault et al., 1994; Bonneval et al., 2022; Clark and Heskin, 1982; Karpestam, 2022; Munch and Svarer, 2002; Nagy, 1995), tenure (Arnott, 2003; Ault and Saba, 1990; Gardner, 2022), rental rates (Autor et al., 2014; Diamond et al., 2019; Caudill, 1993; Early, 2000; Early and Phelps, 1999; Fallis and Smith, 1984; Gilderbloom and Markham, 1996; Gyourko and Linneman, 1989; Heskin et al., 2000; Malpezzi, 1996; Nagy, 1997; Sims, 2007), and vacancy (Rapaport, 1992). For a succinct overview of rent control research, we recommend Sturtevant (2018), Nelson (2024), and Kholodilin (2024).

examining the relationship between rent control, housing supply, and affordability.

2.1. Supply

From a theoretical perspective, there is a growing consensus among economists that rent control decreases the availability of rental housing in both the short and long term (Kearl et al., 1979; Alston et al., 1992; Arnott, 1995; Jenkins, 2009). In the short term, landlords with property subject to rent control laws may opt to avoid these laws by either converting or redeveloping their property into other uses. This stems from specific requirements on the types of property subject to rent control embedded in the policy. For example, landlords could convert rent-controlled units into condominiums, which are usually exempt from rent control, thereby removing rental units from the market. In the long run, theory suggests there will be a decrease in the production of rental housing. This could result from rent control exerting downward pressure on market rents, making development less profitable, or developers anticipating future regulations that might subject new units to rent control. In such scenarios, developers may be deterred from building new housing altogether if investment strategies incorporate anticipated rent regulations into the valuation for new development. Newer policies are beginning to require that new construction be subject to rent control on a rolling basis, which may have larger detrimental effects on new development (e.g., Oregon exempts new units from state rent regulation for 15 years).

Empirically, Heskin et al. (2000) provided an early examination of the changes in the number of rental units after rent control was enacted in four California cities between 1980 and 1990. An important component of these rent regulations was the inclusion of vacancy control, a restriction that requires rent control to remain in place when new tenants occupy the rent-controlled unit. Their findings showed the implementation of rent regulation with vacancy control reduced the number of rental units by 7 %, with some units converted to owner property. Similarly, Diamond et al. (2019) and Asquith (2019) find that rent control policies in San Francisco incentivized landlords to decrease the existing rental supply by converting units to condominiums or redeveloping buildings (and their use) throughout the city. In particular, Diamond, McQuade, and Qian estimate apartment buildings under rent control were 8 % more likely to be converted to condominiums than uncontrolled buildings and landlords reduced the total supply of available rental housing by 15 %. On the opposite coast, Sims (2007, 2011) examined the elimination of rent regulation in three Massachusetts cities in 1995: Boston, Cambridge, and Brookline; areas where rent control regulations were removed had a 7 % greater chance of having housing units become rental units than uncontrolled areas, increasing rental housing choices in these areas.

There is evidence that the link between rent control and supply reductions is not as clear as the aforementioned research indicates. For example, Goetz (1995) concluded that multifamily housing production increased after rent control was introduced in San Francisco, although these findings have been subject to scrutiny based on the techniques employed (Kholodilin and Kohl, 2023). Gilderbloom and Markahm (1996) surveyed 60 New Jersey cities and found no significant effect on the quantity of rental housing stock and Glaeser (2002) found mixed results concerning statistical significance in New Jersey and California. Glaeser's findings were dependent on controlling for city size. In later research comparing jurisdictions in New Jersey with and without rent control, Gilderbloom and Ye (2007) and Ambrosious et al. (2015) found no relationship between rent control and the number of units constructed. As a separate view, Sims (2007) compared construction rates before and after the end of rent control in three Massachusetts localities and found the policy did not significantly affect short-term construction rates. More recently, Gaffney (2021) and Jofre-Monseny et al. (2023) find that rent control policies did not yield any changes in the supply of rental units in East Palo Alto, California, and Catalonia, Spain,

respectively.

Given the empirical findings, it is becoming clearer that there is nuance in rent control and stabilization policies and their effects may vary based on policy design. For example, older policies exempted new construction while some of the newer policies provide a grace period for newly constructed units before their rents are stabilized. The literature is mostly based on older policies that completely exempt new construction from rent stabilization. These heterogeneous findings could also be attributed to the choice of housing supply measurement. While it is common to analyze the effect of rent control on overall construction rates or changes to the current housing stock, the effect of these policies on different types of rental units is important.

2.2. Affordability

We are also interested in how rent control affects the supply of rental housing across the distribution of affordability levels. Theory predicts that rent control will decrease the availability of rental housing in both the short and long term, but that it may increase the number of units affordable to people with low incomes (Arnott, 1995; Jenkins, 2009). Although not directly related to the supply of affordable units, a number of the aforementioned studies indirectly examine the effects of rent control on affordability. Empirically, rent control has been shown to lower rent for tenants in controlled units (Autor et al., 2014; Gyourko and Linneman, 1989; Diamond et al., 2019; Sims, 2007) and increase the rents for uncontrolled units (Caudill, 1993; Early, 2000; Fallis and Smith, 1984). A few studies have also measured how the nuance of rent control policies affects these outcomes. For example, Heskin et al. (2000) conclude that vacancy control contributed to lower rents when compared with non-vacancy-controlled areas, and Autor et al. (2014) showed decontrolled units experienced increases in market value. Finally, Glaeser (2002) found evidence supporting the notion that rent control provides low rent options in expensive cities. It is not clear whether these were the result of supply changes or if the policy was simply maintaining units at low rent levels per implemented guidelines.

2.3. Contribution

Our paper extends the previous literature in two important ways. First, while other studies focus on rent control's effects for, at most, a few cities at a time, there is currently a dearth of research examining the effects of rent control across different cities, making broad statements about the overall efficacy of rent control unproductive at best. We undertake the first cross-city panel analysis examining the effect of rent control reforms on rental housing supply across 27 US metropolitan areas. Related to increasing the geographic focus, we also examine nuance in rent control policies not separately examined in previous research. We split reforms into more restrictive and less restrictive policies, where we define more restrictive as reforms that made rent control requirements more beneficial for renters and less beneficial for landlords.

Our second contribution is our examination of the impact of rent control reforms on the distribution of rental units affordable to households of different incomes, rather than focusing solely on the overall supply of rental units. This is an important consideration; overall rental units may decrease, but there may still be increases for different affordability bands. A common criticism of rent control is that it shrinks the supply of rental units, encouraging landlords to convert rental stock to condos or making developers less inclined to build new housing. We not only recognize a potential reduction in overall housing supply, we are also interested in understanding the types of units affected by this reduction. Understanding if there are different effects across this distribution of affordable units provides insight into whether rent control may have positive effects to those for whom the program may be targeted.

3. Data & descriptive statistics

We generate two novel datasets to estimate the effect of rent control reforms on housing supply: 1) data on rent control reforms collected using machine learning algorithms to analyze newspaper articles for 27 metropolitan regions between 2000 and April 19th, 2021; and 2) data on the number of rental units within each city that are affordable to households of different incomes, created using Census microdata at the Federal Statistical Research Data Center (RDC).

3.1. Rent control reforms

To generate a dataset of rent control reforms, we build on the work of Stacy et al. (2023) by using natural language processing to scan a comprehensive database of major newspapers across the US and identify reforms. This is similar to the data-generating approach of textual data proxies utilized in other studies culling newspapers to examine urban phenomena (Ginsberg et al., 2009; Saiz and Simonsohn, 2013). We first selected metropolitan regions (and the cities within them) based on news coverage in the NewsBank database, prioritizing regions with greater coverage and higher population growth. It is reasonable to expect regions with larger populations (positively correlated with more news coverage) and higher population growth to have a greater likelihood of experiencing affordability challenges and therefore undergo rent control reform. We accessed raw text for approximately 7000 local news outlets in the NewsBank database and assigned each newspaper to their respective 27 US metropolitan regions. Table 1 highlights the metropolitan regions included, as well as the newspaper count in the database for each region, and Fig. 1 highlights the geographic distribution of the regions, as well as state-level preemptions restricting local rent control policies.³ Considering our sample, there are metropolitan regions with and without state-level rent control preemptions alike, providing two potential control group types: places similar in size that may be treated along with those that may not be treated due to state-level preemption. Including the latter group also allows a simple test concerning the reliability of our machine learning results. We should not identify reforms in metropolitan regions where state-level preemptions are present.

We narrowed the full set of articles in the database to those published between 2000 and April 19th, 2021, and used a search string to identify each article containing information related to rent control. These years were selected based on coverage (sparse prior to 2000) and timing (data collection occurred in April of 2021). In consultation with the research team and a group of external experts in housing advocacy, policy, and research, we chose keywords or phrases for our search string that would encompass all rent control reforms. Some of the most frequently used words and phrases related to rent control reform included “rent regulation,” “rent ceiling,” “rent controlled,” “rent stabilization,” “rent cap,” “rent board,” as well as phrases related to specific types of reforms (e.g., “permitted rent increases,” “eviction and harassment protections,” “vacancy decontrol,” etc.). We also combined these into larger search terms, adding “AND” and “OR” statements. After identifying possible search terms relevant to rent control reform passage, we tested the search terms on news outlets from a random subset of metropolitan areas where the “true” rent control reforms were already known. This allowed us to identify combinations of search terms that maximized coverage of all true reforms while minimizing inclusion of extraneous articles. Our final search string extracted 2957 articles from the NewsBank database.

³ Four states with some form of preemption are not highlighted in Fig. 1 due to their unique status. Oregon preempts local control, but has statewide rent control. Texas and Connecticut have partial rent control preemption. Finally, Minnesota has rent control at the local level with partial preemption also in place (source: National Apartment Association, 2024).

Table 1
Metropolitan Regions Included in Analysis.

Metropolitan Region	Newspaper Count
Atlanta-Sandy Springs-Alpharetta, GA	78
Baltimore-Columbia-Towson, MD	47
Birmingham-Hoover, AL	21
Boston-Cambridge-Newton, MA-NH	215
Chicago-Naperville-Elgin, IL-IN-WI	270
Denver-Aurora-Lakewood, CO	43
Durham-Chapel Hill, NC	16
Los Angeles-Long Beach-Anaheim, CA	142
Miami-Fort Lauderdale-Pompano Beach, FL	83
Minneapolis-St. Paul-Bloomington, MN-WI	69
New Orleans-Metairie, LA	25
New York-Newark-Jersey City, NY-NJ-PA	336
Ocean City, NJ	6
Oxnard-Thousand Oaks-Ventura, CA	7
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	182
Pittsburgh, PA	48
Portland-Vancouver-Hillsboro, OR-WA	37
Richmond, VA	14
Riverside-San Bernardino-Ontario, CA	35
Sacramento-Roseville-Folsom, CA	21
San Diego-Chula Vista-Carlsbad, CA	33
San Francisco-Oakland-Berkeley, CA	81
San Jose-Sunnyvale-Santa Clara, CA	29
Seattle-Tacoma-Bellevue, WA	64
Tallahassee, FL	8
Trenton-Princeton, NJ	12
Washington-Arlington-Alexandria, DC-VA-MD-WV	87

Source: Author analysis of NewsBank Data.

We then used machine learning techniques to identify articles in our extract that not only discuss hypothetical or proposed rent control and related reforms, but which reforms were approved in each jurisdiction. We trained a team of four manual taggers with a background in housing policy to tag 501 randomly selected articles. If the article represented a true reform, the taggers would record when and where the reform took place, the geographic extent to which the reform applied, and if the reform made the regulation more or less restrictive. More restrictive reforms are those increasing ownership costs for landlords or reducing revenues, or creating more favorable conditions for tenants (e.g., reduced caps on allowable rent increases, barring landlords from passing improvement costs to renters, implementing just cause eviction rules, enacting landlord appeal restrictions, instituting rent control boards, or implementing vacancy control)⁴; less restrictive reforms work in the opposite direction, including the implementation of vacancy decontrol or the allowance of higher annual caps on changes to rent. We then split the tagged data into two datasets: a “training set” the machine learning model would use to “learn” how to identify relevant reforms in the articles, and a “testing set” excluded from the training set and used to evaluate the model’s performance on unseen data.

In addition to the words, phrases, and combinations discussed above, our training set considered the proximity of keywords to each other and the presence of words differentiating reforms. We also tested different machine learning algorithms and model hyperparameters to identify the model specification that maximized the percentage of true reforms

⁴ Just cause eviction requires evidence of nonpayment or substantial breach of the tenant’s lease for rent-controlled units to be evicted. Landlord appeal restrictions prevent landlords from appealing legislative or policy decisions regarding rent stabilization measures. Vacancy control requires the landlord to keep rent control in place at the same level after a tenant is replaced. Finally, rent control boards are an established group to enforce programs and hear disputes between landlords and tenants.

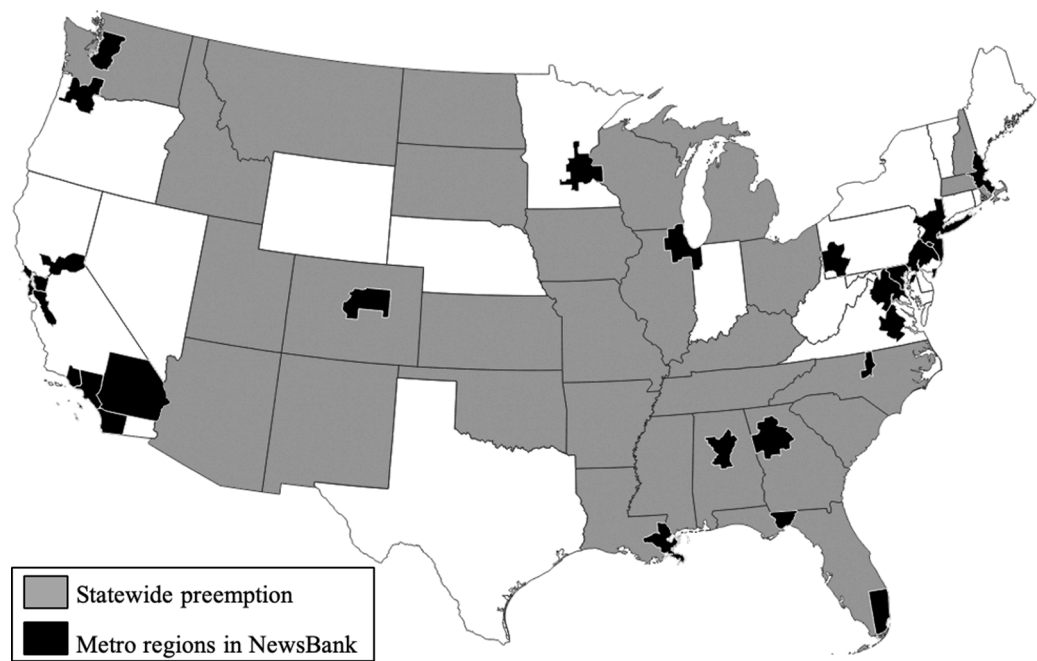


Fig. 1. Map of the metropolitan regions and state-level rent control preemptions. Source: Author analysis of NewsBank Data and National Apartment Association (2024), Notes: Statewide preemptions of local rent control reforms are highlighted in gray and metropolitan regions included in our newspaper analysis in black.

identified in the training data.⁵ Based on this process, we selected our final model, a random forest model. We then reviewed the predicted probabilities for the training data and determined the probability threshold (greater than a 3 % probability) for identifying the final sample of articles for cross-validation that would maximize the true positive reforms being included in the sample. We then validated the random forest model and probability threshold on the unseen testing data to confirm that the selected approach would maintain the result of capturing all true reforms. Because our model and probability threshold optimized for capturing true reforms by setting a low threshold for inclusion, the resulting sample included a large number of false positive articles - particularly those that discussed rent control reforms that did not indicate reform passage. To ensure the validity of the reform dataset, the final sample of articles identified by the model as potentially containing information about a successful rent control reform were cross-validated by a team of land-use experts (including the authors of this study) and deduplicated using data cleaning techniques. Team members read each article and corrected any remaining errors generated by the machine-coded data, providing confidence in our final results. Our approach aims to balance the use of machine learning to reduce the sample of articles for human review without excluding true positives to more efficiently code data while using expert validation to ensure the accuracy of the approach.

Table 2 displays the number of rent control reforms by metropolitan region, and Fig. 2 highlights the timing of reform implementation.⁶ Most of the reforms identified were more restrictive and, as shown in the

figure, the majority of reforms were enacted in the latter half of the 2010s.⁷ This coincides with housing market changes across the US and the growing discussion concerning affordability. Likewise, the table highlights reforms in places where affordability concerns were likely the greatest during this period (e.g., California and New York). Reconsidering Fig. 1 in the context of our machine learning process and the reforms highlighted in Table 2, it is comforting to note that our approach effectively identified areas where reforms could occur; metropolitan regions in states with rent control preemptions were not identified as having a rent control reform. The lone exception is the Boston-

Table 2
Rent control reforms and type by metropolitan region.

	Frequency		
	Total Reforms	More Restrictive	Less Restrictive
Boston-Cambridge-Newton, MA-NH	1	1	0
Los Angeles-Long Beach-Anaheim, CA	9	9	0
New York-Newark-Jersey City, NY-NJ-PA	21	13	8
Sacramento-Roseville-Arden-Arcade, CA	1	1	0
San Diego-Carlsbad, CA	3	2	1
San Francisco-Oakland-Fremont, CA	57	53	4
San Jose-Sunnyvale-Santa Clara, CA	2	2	0
Trenton-Princeton, NJ	1	0	1
Washington-Arlington-Alexandria, DC-VA-MD-WV	1	1	0
Total	96	82	14

Source: Author analysis of NewsBank Data.

⁵ We used grid search to test a variety of hyperparameters for naive bayes, support vector classifiers, and random forest models using the Python sklearn library. We also used fast.ai to train an AWD-LSTM deep learning model (see Merity et al., 2018). We selected the model-hyperparameter combination that maximized training recall, or the number of true reforms identified in the training data.

⁶ It is worth noting that in the article reading process, team members identified 7 counties that instituted a reform. In these cases, one of the members contacted the counties for further detail and the reform was assigned to all places within the county that were affected by it.

⁷ The list of treatment cities, along with their treatment timing and type, are publicly available in the document, "Multi-City Panel of Rent Control Reforms" provided by the Urban Institute: <https://datacatalog.urban.org/dataset/multi-city-panel-rent-control-reforms>.

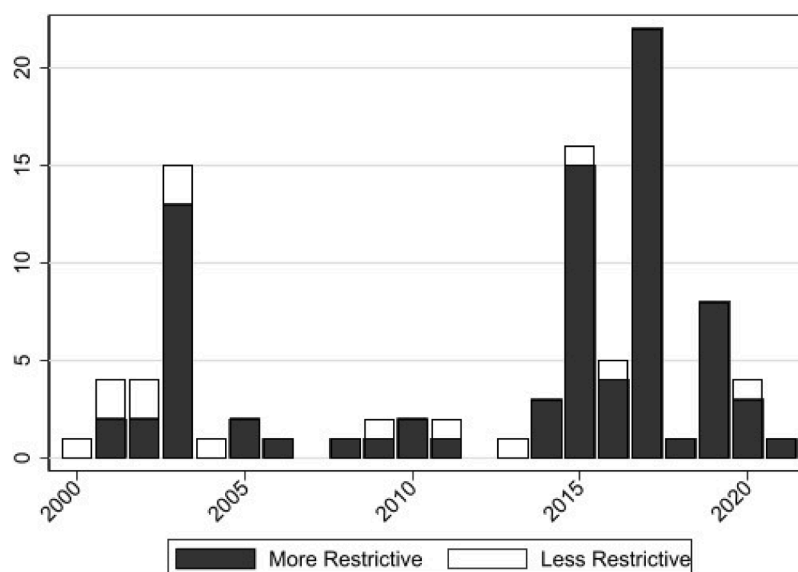


Fig. 2. Rent control reform types by year.

Source: Author analysis of NewsBank Data.

Cambridge-Newton region. Massachusetts voters preempted rent control in 1994 when they passed a state referendum, banning rent control ordinances statewide. This decision ended rent control laws where, as noted in our literature review (Sims, 2007, 2011), such policies had been in place for decades. However, rent control restrictions were exempt in cases of publicly-owned or subsidized housing and mobile homes, and thus our observation of the Boston-Cambridge-Newton region in our data.

3.2. Census microdata

To conduct our analysis, we needed a measure of housing affordability that reflects both the number and affordability of rental units in cities over time. Unfortunately, accurate measures concerning the number of affordable housing units over time are not widely available. While the Census Bureau offers information related to the number of households that pay within specified rental bins, these do not include rents high enough to approximate affordable units in high-cost areas. For example, 80 % of AMI in New York City in 2020 was \$90,950, which would equate to an affordable rent of \$2274.⁸ However, the highest bin publicly available for the years in our study is \$2000.⁹ Even if higher bins were available, inflation may prevent comparison between the number of units in a bin for a given year with the number of units within the same bin for other years. In addition, the publicly available data do not account for the number of bedrooms in each rental unit, making accurate counts of affordability difficult. For example, a studio apartment may appear affordable, or a four-bedroom apartment may appear unaffordable without considering the potential makeup of renters based on unit size. Finally, the data do not contain rental information at the level of granularity needed to generate estimates for cities over time using consistent boundaries.

We overcame the challenges with the publicly available dataset by obtaining approval to access the restricted Census microdata at the Federal Statistical Research Data Center (RDC) and generating the appropriate metrics on affordable housing units. In the RDC, we merged

Section 8 income limit data with rental data, including vacant rental units, from the 2000 Decennial Census and each five-year American Community Survey (ACS) available when the data was collected (2005–2009 to 2017–2021) at the county subdivision level. Thus, we utilize 14 periods of data. We assign each data point to the middle year of the corresponding ACS because it best represents the average trend over the entire five-year period. Since affordability thresholds vary by family size (i.e., AMI data developed by HUD sets different thresholds based on the number of family members that live within the unit), we use family size to adjust for the capacity of the unit as a more accurate measure of rental unit capacity. We then calculated gross rent using electricity, natural gas, water, fuel, and rent, and compared these to the Section 8 income limits to identify units within the AMI thresholds. This was more complicated for vacant rental units; we approximated the number of people that might live in the unit using the number of bedrooms and applied the percentage of occupied units by AMI level to the total number of vacant units to create an estimate of the number of vacant rental units by affordability bucket. Finally, we added occupied rental units and vacant rental units together to get the total number of units by AMI level, aggregating to the place by year level, and linked these data to our metropolitan regions using an MSA-to-place crosswalk.¹⁰

Table 3 shows the total number of housing units, the total number rental units (occupied or vacant), the number of rental units by affordability level from the Census microdata by reform type, as well as the number of units per household by affordability levels. Places that never had a reform have a greater ratio of housing units to rental units than those with a reform, but places having instituted a reform of any type tend to have more housing and rental units than those without an RC

⁸ Homes and Community Renewal, NY State.gov. 2020. "Eligible Income Limits (80 percent AMI), NYS COVID Rent Relief Program 2020." https://hcr.ny.gov/system/files/documents/2020/07/crrp2020_eligible_income_80ami.pdf

⁹ AMI is defined by the US Department of Housing and Urban Development's Section 8 Voucher program requirements.

¹⁰ We also considered a special dataset HUD receives and publishes from the Census called the Comprehensive Housing Affordability Strategy (CHAS) data. While these data show the number of units affordable to people at different income levels, there are three primary restrictions that using Census microdata allowed us to overcome and create a more precise and comprehensive dataset. First, CHAS data are rounded or suppressed for smaller places, and the data are frequently missing for the year 2000. Second, while we were able to observe the full distribution of units by affordability using the microdata, the CHAS data only include units up to 80 percent of AMI. Finally, using microdata allowed us to maintain constant boundaries over time, rather than including units in places as they change as areas are annexed or de-annexed.

Table 3

Baseline number of housing units by affordability level by whether a city ever had a rent control reform, 2000.

Means of:	Never had a reform	Had a more restrictive reform	Had a less restrictive reform
Total number of housing units	6187	116,800	274,700
Total number of rental units (vacant or occupied)	2377	75,020	188,700
Number of units affordable to people making:			
<30 % of AMI	229	7887	22,730
Between 30 % and 50 % of AMI	553	12,000	29,420
Between 50 % and 80 % of AMI	1013	29,910	74,940
Between 80 % and 100 % of AMI	239	10,490	24,850
Between 100 % and 120 % of AMI	87	4520	9772
>120 % of AMI	257	10,210	27,030
Number of units per household affordable to people making:			
<30 % of AMI	0.03	0.04	0.04
Between 30 % and 50 % of AMI	0.08	0.08	0.09
Between 50 % and 80 % of AMI	0.11	0.15	0.23
Between 80 % and 100 % of AMI	0.02	0.05	0.04
Between 100 % and 120 % of AMI	0.01	0.03	0.01
>120 % of AMI	0.04	0.05	0.06

Notes: Estimates derived from American Community Survey Microdata from the Federal Statistical Research Data Center under FSRDC Project Number 2661 (CDRB-FY24-P2661-R11503).

Table 4

Outcome measures.

Measure	Definition
Total	Total number of rental units in a city
0–30 % AMI	Number of rental units affordable to households that make between 0 and 30 % of AMI, or extremely low-income households
30–50 % AMI	Number of rental units affordable to households that make above 30 % through 50 % of AMI, or very low-income households
50–80 % AMI	Number of rental units affordable to households that make above 50 % through 80 % of AMI, or low-income households
80–100 % AMI	Number of rental units affordable to households that make above 80 % through 100 % of AMI, or moderate-income households
100–120 % AMI	Number of rental units affordable to households that make above 100 % through 120 % of AMI, or upper moderate-income households
>120 % AMI	Number of rental units affordable to households that make greater than 120 % of AMI, or high-income households

reform. These are unsurprising and coincide with our previous statement, “It is reasonable to expect regions with larger populations (positively correlated with more news coverage) and higher population growth to have a greater likelihood of experiencing affordability challenges and therefore to undergo rent control reform.” However, it is important to recognize these differences could be generated from the data collection process itself. Smaller cities are less likely to offer robust news coverage and thus were not covered. Despite these differences, there are important similarities between each of these groups; the largest category for each group is the number of units affordable to people making between 50 % and 80 % of AMI while the smallest category is the number of units affordable to people making between 100 % and 120 % of AMI. Furthermore, while places that had reforms were much larger than places that did not have reforms, the number of units per person within each bucket was more similar. In total, there are no striking or apparent differences in the provision of affordable units for places with RC reforms in comparison to places without a reform.

4. Empirical model

The following equation serves as our baseline model to estimate the effect of rent control reforms on the supply of rental housing at different levels of affordability:

$$Outcome_{it} = \rho Implementation_{it} + \beta PostImplementation_{it} + \lambda_t + \delta_i + \tau_{it} + \varepsilon_{it} \quad (1)$$

where $Outcome_{it}$ represents the counts for various affordability brackets at the city level, as described above and shown in Table 4. We use the inverse hyperbolic sine of our outcome measure in city i during year t since accounts for the fact that our outcome measure cannot be negative, includes zeros within some supply buckets, and are over dispersed (Chen and Roth, 2024). We include place fixed effects, δ_i , to account for time-invariant heterogeneity, year fixed effects, λ_t , to account for time-specific factors that affect all places in a given year, and place

specific time trends, τ_{it} , to account for place-specific linear trends and pre-trends that could bias results. Standard errors are clustered at the city level and are robust to heteroskedasticity and arbitrary forms of error correlation within each city.

We include an implementation period (*Implementation*) to capture the 2 years before a reform, the year of the reform, and the 2 years after a reform. This helps control for an Ashenfelter dip or spike, mitigating anticipation effects from discussion about a reform that has not yet been approved that could influence developer or landlord behavior. It also allows time for reforms to take effect as knowledge about reforms requires time to spread. Finally, it helps account for the five-year averages in the ACS data to ensure that outcome years do not include pre-periods due to averaging.

Our key explanatory variable, *PostImplementation*, is a stock variable of the number of reforms in year $t-3$. More restrictive reforms add 1 to this variable and less restrictive reforms subtract 1. That is, this variable would go up by 1 if there was a reform three years prior that was more restrictive and would go down by 1 if there was a less restrictive reform three years prior. If a city enacted both a more and less restrictive reform in the same year, they would cancel each other out. As represented, estimates for β are the average effect of a more restrictive rent stabilization reform on housing supply and affordability.

5. Results

5.1. Two-way fixed effects

Table 5 presents our results from Eq. (1). We find that rent control is associated with a reduction in total rental units, statistically significant at the 5-percent level, driven by a decrease units affordable to people making greater than 120 % of AMI. However, these results are not universal as there is a large and statistically significant increase in the number of rental units affordable to those making 30 % or less of the AMI (extremely low-income households). Estimates for the

implementation period are not statistically significant for the three groups affected by rent control but are positive and statistically significant for units affordable to people making between 80 and 100 % of AMI. This may reflect some anticipatory effects for developers and a shorter-term impact of the reform on rental prices, construction, and/or development deals. These estimates are based on an inverse hyperbolic sine transformation and cannot be interpreted directly. Using the transformation outlined in Bellemare and Wichman (2019), our estimates indicate that rent control is associated with a 10.4 % decrease in total rental supply, a 52.3 % increase in rental units affordable to extremely low-income households, and a 46.2 % reduction in units affordable to households making greater than 120 % of AMI. While our estimates appear very large, one must consider the number of units in a city that are affordable within each band. For example, the 52 % increase for extremely low-income households may be in cities with relatively few units affordable at that level. Furthermore, the lower-bound estimate based on the 95 % confidence interval is 11 %.

5.2. Falsification test

Although the estimates in Table 5 for our implementation period variable include 2-years prior to the reform and are not statistically significant, we undertake an additional analysis where we include a lead variable for treatment to test the parallel trends assumption and to validate our results. Table 6 provides a falsification test and shows there was a statistically significant increase in the total supply in cities three years prior to a reform. This suggests that the effect may be caused by selection bias and pre-existing trends rather than due to the reforms themselves; cities that were already growing in total rental units were more likely to institute a reform. While our fixed effects model with place specific time trends helps to account for some of these pre-trends, it does not completely remove them. However, the pre-trend is positive, and the estimate is negative, suggesting that the estimate could be a lower bound on the true effect size. Further, we do not see similar pre-trends for the statistically significant estimates for our AMI thresholds that provide a dichotomous breakdown of the overall effect.

5.3. Staggered treatment design

The adoption of rent control policies is staggered over time, which can generate bias in traditional two-way fixed effects estimates since the specification requires the relatively strong assumptions about homogeneity of treatment effects (Goodman-Bacon, 2021). In particular, Goodman-Bacon (2021) shows that two-way fixed effects estimates for policies with staggered adoption, as in the varied implementation dates of rent control reforms, use comparisons between early treatment groups with untreated and later treatment groups, and later treatment groups with untreated and early treatment groups. Each group will at some point act as a control group and the coefficient generated from traditional difference-in-differences will be a variance-weighted average of many different treatment effects. A large body of methodological research has emerged accounting for staggered implementation effects that allow for careful comparison of treated units to not-yet-treated, or treated to never-treated, or both.

As a robustness check to our TWFE estimates, we adopt the approach proposed by Callaway and Sant'Anna (2021) to estimate a difference-in-differences estimator with multiple time periods and focus on comparing treated cities with not-yet-treated cities. A few important differences in estimating the Callaway and Sant'Anna are worth noting. First, we cannot include place-specific time trends in this analysis and, instead, include an exogenous shift-share variable for local employment growth to control for changing economic activity and to aid in achieving parallel pre-trends. Specifically, we use data from the Longitudinal Employer-Household Dynamics (LEHD) U.S. Census Bureau (2023) to generate a Bartik instrument. The instrument acts as a control variable in our Callaway and Sant'Anna regressions and accounts for exogenous

changes in housing demand and prices.¹¹ Beyond exclusion of place-specific time trends, the staggered treatment design does not allow us to turn on and off treatment and allow for more than one reform in a place over time. That is, this restriction does not allow for a stock variable to capture both positive and negative treatment (i.e., more or less restrictive rent control reforms, respectively); more and less restrictive reforms must be separated rather than included in a single variable. Since we do not have enough less restrictive reforms to estimate those effects separately, they are dropped from the model.

Table 7 present our results using the Callaway and Sant'Anna estimator. We continue to find that rent control reforms that are more restrictive reduce the total supply of rental units. This estimate is very close to the two-way fixed effects estimate, which after transformation, indicates a 12.3-percent reduction in total rental supply in places enacting more restrictive rent control reforms. We also continue to find that rent control is associated with a reduction in the number of units affordable to higher income households, or those making >120 % of AMI. This gives us greater confidence that rent control is associated with a statistically significant reduction in total rental units. While there is no effect in this model of rent control on units affordable to extremely low-income households (i.e., those making <30 % of AMI), we hold greater trust in the two-way fixed effects model, as we discuss below.

As before, we also estimate our staggered treatment models with lead variables to test the parallel pre-existing trends assumption. Table 8 shows our estimates pass falsification tests as evidenced by our lack of statistically significant pre-trends.

Recent research has shown that two-way fixed effects models for treatments with staggered timing may produce misleading estimates if the policy's effect is heterogeneous between groups or over time (Chaisemartin and D'Haultfoeulle, 2022), nonetheless we prefer the two-way fixed effects model for three primary reasons. The first two reasons are related to the changes required to estimate the staggered treatment design model discussed above. That is, it allows us to include a control variable for an implementation period which helps to account for anticipation effects, implementation lags, and the five-year nature of the Census microdata. It also allows us to turn on and off treatment and allow for more than one reform in a place over time. We are able combine more restrictive and less restrictive reforms into one variable in our two-way fixed effects model, allowing for more variation in treatment. Third, it allows us to include a place specific time trend to help satisfy the linear pre-trends assumption. In addition, because we have a large control group, the potential bias inherent in two-way fixed effects models with staggered treatment should be minimal, giving us confidence in those results.¹²

6. Conclusion

This study highlights the tradeoffs inherent to rent control. Increasing the restrictiveness of rent control appears to increase the number of units affordable to people with extremely low incomes (those making <30 % of AMI). However, rent control is also associated with a reduction in the total number of rental units and the number of rental

¹¹ LEHD is a program of the US Census Bureau that compiles tabulated and modeled administrative data on employers and employees from states, censuses, and surveys to estimate employment, earnings, and job flows at detailed levels of geography. We use LEHD Origin-Destination Employment Statistics (LODES) which contains information on the total number of jobs in tracts where people work. In the shift-share variable creation we use the 2-digit NAICS codes (20 industries) and a base year of 2002. The shift-share variable follows Bartik (1991) and uses workplace area characteristic data from LODES. The shift-share variable is the predicted employment level in each city based on its local exposure to national industry level employment changes.

¹² We are unable to run an event study due to the 5-year nature of our data and because of disclosure constraints related to using Census microdata related to the total number of estimates we are able to make public.

Table 5

The effect of rent control reforms on the supply of rental housing using a two-way fixed effects model.

	Arcsin of rental units affordable at:						
	Arcsin of Total Rental Units	0–30 % AMI	30–50 % AMI	50–80 % AMI	80–100 % AMI	100–120 % AMI	>120 % AMI
Post- Implementation	-0.099*	0.421**	-0.144	-0.031	-0.026	-0.076	-0.380*
	(0.039)	(0.158)	(0.156)	(0.127)	(0.158)	(0.191)	(0.176)
Implementation Period	-0.048	0.090	0.030	0.155	0.224*	0.134	-0.146
	(0.028)	(0.093)	(0.093)	(0.093)	(0.096)	(0.123)	(0.122)
N	53,500	53,500	53,500	53,500	53,500	53,500	53,500
adj. R-sq	0.980	0.847	0.872	0.921	0.878	0.830	0.819

Notes: Results are from a fixed effects model with random trends that includes place and year fixed effects, as well as city specific time trends. These estimates shown are for more restrictive reforms, with less restrictive reforms included as a control. Robust standard errors are in parentheses, clustered at the place level. Sample sizes are rounded to the nearest one hundredth to comply with census disclosure requirements.

** $p \leq 0.01$.

* $p \leq 0.05$. Data are sourced from the Federal Statistical Research Data Center under FSRDC Project Number 2661 (CDRB-FY24-P2661-R11503).

Table 6

Falsification test for the two-way fixed effects model.

	Arcsin of rental units affordable at:						
	Arcsin of Total Rental Units	0–30 % AMI	30–50 % AMI	50–80 % AMI	80–100 % AMI	100–120 % AMI	>120 % AMI
Three Years Before Reform	0.074*	0.050	0.197	0.164	0.265*	0.151	0.162
	(0.036)	(0.110)	(0.144)	(0.136)	(0.134)	(0.184)	(0.175)
N	53,500	53,500	53,500	53,500	53,500	53,500	53,500
adj. R-sq	0.980	0.847	0.872	0.921	0.878	0.830	0.819

Notes: Results are from a fixed effects model with random trends that includes place and year fixed effects, as well as city specific time trends. The model includes all of the variables from the main model, but for which results are suppressed since they cannot be causally interpreted. Robust standard errors are in parentheses, clustered at the place level. Sample sizes are rounded to the nearest one hundredth to comply with census disclosure requirements.

** $p \leq 0.01$.

* $p \leq 0.05$. Data are sourced from the Federal Statistical Research Data Center under FSRDC Project Number 2661 (CDRB-FY24-P2661-R11503).

Table 7The effect of more restrictive rent control reforms on the supply of rental housing using [Callaway and Sant'Anna \(2021\)](#).

	Arcsin of rental units affordable at:						
	Arcsin of Total Rental Units	0–30 % AMI	30–50 % AMI	50–80 % AMI	80–100 % AMI	100–120 % AMI	>120 % AMI
Post-Reform	-0.116**	-0.162	0.034	-0.213	-0.027	0.166	-0.268*
	(0.043)	(0.186)	(0.146)	(0.112)	(0.122)	(0.312)	(0.119)
N	47,000	47,000	47,000	47,000	47,000	47,000	47,000

Notes: Results are from a staggered treatment difference-in-differences model proposed by [Callaway and Sant'Anna \(2021\)](#). The model also includes Bartik instruments as control variables to account for exogenous changes in economic activity at the place level. Robust standard errors are in parentheses, clustered at the place level. Sample sizes are rounded to the nearest one hundredth to comply with census disclosure requirements.

** $p \leq 0.01$.

* $p \leq 0.05$. Data are sourced from the Federal Statistical Research Data Center under FSRDC Project Number 2661 (CDRB-FY24-P2661-R11503).

Table 8

Falsification test for callaway and Sant'Anna Model.

	Arcsin of rental units affordable at:						
	Arcsin of Total Rental Units	0–30 % AMI	30–50 % AMI	50–80 % AMI	80–100 % AMI	100–120 % AMI	>120 % AMI
Three Years Before Reform	0.003	0.074	0.105	-0.020	0.059	-0.010	0.006
	(0.021)	(0.061)	(0.072)	(0.072)	(0.062)	(0.087)	(0.101)
N	47,000	47,000	47,000	47,000	47,000	47,000	47,000

Notes: Results are from a staggered treatment difference-in-differences model proposed by [Callaway and Sant'Anna \(2021\)](#). The model also includes Bartik instruments as control variables to account for exogenous changes in economic activity at the place level. It also includes all of the variables in the main model, but for which results are suppressed since they cannot be causally interpreted. Robust standard errors are in parentheses, clustered at the place level. Sample sizes are rounded to the nearest one hundredth to comply with census disclosure requirements.

** $p \leq 0.01$.

* $p \leq 0.05$. Data are sourced from the Federal Statistical Research Data Center under FSRDC Project Number 2661 (CDRB-FY24-P2661-R11503).

units affordable to people with higher incomes. With our already constrained supply and construction rates not keeping up with demand, reducing this overall supply might harm households with low incomes in the long run. Supply side policies such as upzoning and increasing the speed of development might be needed in tandem with rent control to ensure that rent control does not further reduce the supply of rental units and potentially affordability in the long run.

Two caveats concerning our results should be highlighted. First, while our findings show an increase in the supply of units affordable to people with extremely low incomes, they do not indicate by whom those units are being occupied; that is, who is benefitting from these low-cost units. This is an oft-cited issue with rent control. By design, rent control protects incumbency and provides benefits to those living in rent-controlled units, and it is not targeted to households with the most need since it is not means tested. There is a strand of literature that supports these ideas. Gyourko and Linneman (1989) find that many people with low incomes benefit from rent control, but that the same is true for people with middle and upper incomes. They conclude that rent control benefits low, middle, and high-income tenants equally. Similarly, Linneman (1987) and Early (2000) found that rent control and rent stabilization benefitted some low-income households but did a poor job targeting those most in need. Finally, Ault and Saba (1990) found that the rent control subsidy in NYC was greater for higher-income households than for lower-income or minority households and Sims (2007) finds renters in the bottom quartile of household income distribution occupied 26 % of rent-controlled units while tenants in the top half occupied 30 %. Over time, even if residents in rent-controlled units benefit, the policy may not be distributing benefits equitably if people with middle or high incomes are disproportionately housed in controlled units and if, like the literature suggests, people not lucky enough to obtain a rent-controlled unit face constrained supply and increasing rents.

Second, while our findings indicate that rent control leads to a greater supply of rental units affordable to extremely low-income individuals, we do not know the quality of the housing stock nor the mechanisms through which this supply increases. It could be that the increase in lower cost units reflects a reduction in housing quality, loosely matching previous research that finds evidence that rent control policies discourage landlords from maintaining the quality of their units (Arnott and Shevyakhova, 2014; Gyourko and Linneman, 1989). Or, the housing stock and prices could remain relatively stable with higher income residents moving into the area, changing the definition of 0–30 % AMI over time (Diamond et al., 2019).

In addition to these caveats, there are several limitations to our analysis. First, our treatment variable does not account for the dosage effect, or the intensity of the reform, since the newspaper articles underlying our rent control variables do not allow for consistent and credible measures of the treatment dosage. In other words, a new rent control regulation is treated the same as a reform to a current regulation that increases the restrictiveness of the regulation. Second, our data do not include extensive details about the types of rent control enacted, and rent control regulations can vary greatly from one place to another. For instance, rent control in one city may include vacancy control regulations, requiring that rent control limits continue uninterrupted between tenants, and another may include vacancy decontrol, where rents pop up to market rates when a tenant moves out (Stacy et al., 2021). The newspaper articles from which we collected the data rarely contained detailed information about the types of rent control enacted or removed in each place. Therefore, we are unable to control for these differences or estimate the impacts of different types of rent control regimes on rental supply and affordability. Third, while unlikely, it is possible that large rent control reforms in large cities could be affecting the median income within a region, thereby altering the cut points within our affordability ranges. While we believe this to be unlikely since AMI is calculated at a regional level and rent control reforms are enacted at the jurisdiction level, we acknowledge that there is a small chance that this could affect

our results in some cases. Fourth, we are unable to account for the initial level of rent control, only changes to rent control over time. Finally, there is no natural experiment for us to exploit to ensure causality, so our estimates may be biased if the parallel trends assumption is violated, meaning that cities that enact rent control are already increasing or decreasing in the outcome measures prior to the reform at a rate that is different from the control cities. There is some evidence that this is true based on our falsification tests, which suggests that our estimates may be attenuated, and that our estimates are a lower bound on the true effect.

Considering our findings, caveats, and limitations, future research should continue to build out datasets that can allow for these more nuanced analyses. More research is needed both on rent control and on supply side impacts to determine what combinations of policies can best increase affordability for households making low or moderate incomes in both the short and long run. Research is needed to determine who benefits from various types of rent control regulations in different cities and which components of rent control regulations harm or benefit various community members, such as vacancy decontrol, different types of allowable rent increases, and exemptions. Research is also needed to determine who benefits from and who is harmed by supply effects. If rent control reduces the supply of rental units affordable to higher income households, there may be a filtering up effect where higher income households occupy units that are affordable to lower income households. Given these considerations and our findings, it is up to local leaders and community members to decide whether rent control is the correct policy to address their community's goals, how to design it, and which policies should be adopted in tandem with rent control to ensure both short- and long-term benefits.

CRediT authorship contribution statement

Christina Stacy: Writing – review & editing, Writing – original draft, Supervision, Methodology, Funding acquisition, Formal analysis, Data curation, Conceptualization. **Timothy R. Hodge:** Writing – review & editing, Writing – original draft, Methodology, Formal analysis, Conceptualization. **Timothy M. Komarek:** Writing – review & editing, Writing – original draft, Methodology, Formal analysis, Conceptualization. **Christopher Davis:** Methodology, Formal analysis, Data curation, Conceptualization. **Alena Stern:** Data curation. **Owen Noble:** Data curation. **Jorge Morales-Burnett:** Data curation. **Amy Rogin:** Data curation.

Data availability

The data that has been used is confidential.

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Rent Control

Key Policy Components and Their Equity Implications

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Rent control has a long and hotly debated history. Although rent control has been shown to increase stability and affordability for tenants in controlled units, some studies have found that these benefits are offset by greater costs in the uncontrolled rental market because of reductions in the overall supply of rental units (Diamond, McQuade, and Qian 2018; Sims 2007). Critics also question whether the benefits of rent control truly reach renters with low incomes and renters of color who face the greatest affordability challenges (Ault and Saba 1990; Gyourko and Linneman 1989; Sims 2007).

Even still, many tenants, tenants' rights groups, and community organizers support rent control and believe in its ability to balance power between renters and landlords. As such, rent control has reemerged as a potential tool to address the housing affordability crisis in the US. In 2019 alone, New York, California, and Oregon passed statewide rent control laws or laws that allow cities to enact their own regulations (Rajasekaran, Treskon, and Greene 2019). Additional efforts for new regulations or challenges to preemption (when states do not allow cities to enact their own rent control ordinances) are expected or under way in 2021 in Colorado, Illinois, Massachusetts, Minnesota, Nevada, and Washington state (NMHC 2020).

In this brief, we detail the various components of rent control that determine the regulations' impact on the equitable provision of affordable housing. To identify these components, we pull from academic literature, document review, and interviews with 23 key stakeholders that include community leaders, tenant advocates, policymakers, landlords, and developers. We also gather evidence from

newspaper articles across the US about rent control reforms to identify common barriers, changes to regulations, and innovative ways of implementing rent control to close loopholes and improve outcomes for low-income tenants, both in and outside rent-controlled units. A project advisory group oversaw this work (members are listed in the acknowledgments section below).

This brief also serves to inform our broader body of work on rent control and inclusionary zoning,¹ which will include an empirical study that estimates the impact of rent control reforms on the overall supply of housing, the supply of housing that is affordable to households with low and moderate incomes, and access to opportunity for households with low incomes and households of color.

We find that different groups of stakeholders have diverging views on the efficacy of rent control in promoting equitable housing outcomes:

- While landlords, for-profit developers, and real estate industry representatives are skeptical of rent control's ability to provide affordable housing for renters with low incomes and renters of color, many tenant advocates and housing policy researchers disagree and feel that policy loopholes or weak regulatory coverage is to blame when rent control fails to improve housing affordability.
- Tenant advocates support rent control over other, more supply-driven policies like inclusionary zoning, partly because they feel that rent control plays a crucial role in mitigating power imbalances between tenants and landlords and in increasing civic engagement, which is often overlooked in traditional quantitative research. They also feel that rent control does a better job of providing housing that is affordable to families with low incomes and that other supply-driven policies create housing that is affordable to households with more moderate incomes.
- Vacancy decontrol, which allows landlords to raise rents to market rate or exclude units from regulation after a vacancy, creates an incentive for landlords to displace current tenants and encourages them to select tenants who are more mobile and often have higher incomes. Many jurisdictions have enacted tenant protections such as just-cause eviction requirements to mitigate the negative impacts of vacancy decontrol. However, landlords have found so many loopholes around these protections that vacancy control may be the only way to truly ensure the stability and rights of tenants in rent-controlled units.
- Policy enforcement, compliance, and education are important and often overlooked program components that are necessary to ensuring equitable tenant outcomes. The same rent control regulation may work differently in one jurisdiction versus another if one has a strong protective body in place that helps enforce the rules and support tenants and landlords and the other does not.

Rent Control Regulations

“Rent control” is a loose term used to cover a spectrum of rent regulations. These regulations can vary from hard caps on maximum rents (often associated with traditional rent control) to limits on the amount that rent can increase over time (a method that is often referred to as rent stabilization and is popular currently).

The distinction between these terms generally reflects differences in first- and second-generation regulations. First-generation policies were associated with federally imposed rent ceilings in response to constrained housing markets during World War II. While this iteration of strict rent control largely disappeared by the 1950s, the second generation emerged in the 1970s in response to mass tenant organizing and growing housing cost burdens. Unlike the blunt rent caps associated with the first generation of policies, this iteration was more moderate—it had caps that shifted yearly and often had hardship provisions, including allowing landlords to petition to increase rents for capital improvements if they were not receiving “reasonable returns.”

The following decades were marked by heavy lobbying against rent control by the real estate industry and early economic research suggesting that rent control negatively affected construction rates and property maintenance.² Significant backlash against rent control and a wave of statewide preemptions followed (box 1).

BOX 1

Preemption and Restriction of Rent Control at the State Level

In the 1980s and 1990s, conservative state legislators from the American Legislative Exchange Council^a led efforts to preempt rent control legislation in cities, counties, and other jurisdictions—with great success (Goetz et al. 2021). At the same time, many existing rent control policies were repealed or weakened through state-level legislation. While more than 200 municipalities have enacted some form of rent regulation, rent control is outlawed by the majority of states in the country. As of 2020, 31 states had preempted local use of rent control.^b Some researchers argue that these statewide restrictions prevented rapid policy responses during the COVID-19 pandemic and impeded local housing policy advocacy (Greene, Ramakrishnan, and Morales-Burnett 2020). Examples include the following:

- **Dillon’s Rule.** While this does not explicitly preempt rent control, local governments in Dillon’s Rule states are required to make their case to the state government before enacting rent control. The states with Dillon’s Rule are Alaska, Nevada, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia as of 2020.^c
- **Costa-Hawkins Rental Housing Act.** This California law requires vacancy decontrol, prevents rent caps on units built after 1995, and exempts single-family homes and condominiums from coverage.
- **Ellis Act.** This state law, also in California, allows landlords going out of business to evict tenants and convert those units into ownership units such as condominiums.

This trend of statewide rent control restriction has been challenged in recent years as local tenant advocates are finding ways to work around state preemption to get rent stabilization policies on local

ballots. For example, although Minnesota technically preempts rent control, housing advocates in St. Paul were able to collect the signatures needed to put a citywide rent stabilization measure on the ballot this coming November.^d

^a Maya Dukmosova, “The Secret History of Illinois’s Rent Control Prohibition,” *Chicago Reader*, May 16, 2017, <https://www.chicagoreader.com/chicago/illinois-rent-control-prohibition-history/Content?oid=26517042>.

^b “Rent Control Laws by State,” National Multifamily Housing Council, September 2, 2020, <https://www.nmhc.org/research-insight/analysis-and-guidance/rent-control-laws-by-state/>.

^c “Rent Control Laws by State,” NMHC.

^d Katie Galioto, “With 9,000 Signatures in Hand, St. Paul Housing Advocates Campaign for Rent Control,” *Star Tribune*, June 15, 2021, <https://www.startribune.com/with-9-000-signatures-in-hand-st-paul-housing-advocates-campaign-for-rent-control/600068443/>.

Rent control has two primary goals: preventing rapid rent increases and keeping qualifying units below market rate. However, rent control has also been used for addressing concerns surrounding speculative real estate investment, maintaining economic and racial diversity, and providing renters with housing habitability and stability (Chew and Treuhaft 2019). Instead of relying on government subsidies, rent control uses private landlords and developers as stakeholders responsible for the provision of affordable housing. This theory of change is similar to that of inclusionary zoning, a policy whose components we explore in “Inclusionary Zoning: How Different IZ Policies Affect Tenant, Landlord, and Developer Behaviors” (Stacy et al. 2021).

The impact of rent control regulations depends on the institutional features of the policy and the local housing market conditions where they are implemented (Been, Ellen, and House 2019). For instance, some rent control policies allow for vacancy decontrol. Other policies ban vacancy decontrol and thus yield different results (Nagy 1997). Studies that treat all rent control regulations the same may mask the heterogeneous effects of different policies and limit their ability to inform policy and improve lives. Therefore, it is important to study not only rent control broadly but also how it is designed and implemented.

Rent Control Policy Components

Iterations of policy enactment and reforms over time have made the specific features of rent control and their implementation vary widely between jurisdictions. Understanding the diversity of policy components and their potential effect on affordable housing supply is essential to creating equitable and targeted programs.

Rent control regulations generally have five policy components, as seen in table 1 and discussed in greater detail below.

TABLE 1

Components of Rent Control Regulations

Component of regulation	Definition
Permitted rent increases	The maximum rent or increase in rent that a landlord can charge to a tenant and how such increases are determined (e.g., pegged to the consumer price index, a flat increase, the consumer price index plus a percentage, a nominal amount, or decided by board).
Types of housing covered	Characteristics that make rental housing ineligible for rent regulation. Examples may include new market-rate construction, buildings built after a set year, inclusion after a certain number of years post-development (e.g., 10 years after construction), developments with substantial recent renovations, or properties under a certain unit count.
Unit decontrol	The process through which a unit or building becomes deregulated. This includes vacancy decontrol, by which a unit is raised to market rate or becomes unregulated after vacancy, as well as condominium conversions and building sales, by which landlords convert or sell their properties to remove them from the market.
Exceptions to rent caps	Individualized increases granted to owners under certain conditions, such as cost pass-throughs for improvements or appeals for right to fair returns.
Tenant protections	Many program features incentivize tenant harassment and evictions. Recent policies have included just-cause eviction and protection against harassment by landlords.

Source: Authors' compilation of rent control regulations.

To better understand these policy components and their implications for stakeholder behaviors, we interviewed 23 community leaders, tenant advocates, policymakers, landlords, researchers, and developers. Opinions varied on which policy components had the largest effect on the supply of affordable housing and overall housing supply. The components most frequently mentioned as important by interviewees were permitted rent increases, harassment and eviction protections, vacancy decontrol and building sales, and the housing types included in the regulation (table 2).

TABLE 2

Rent Control Policy Components Most Frequently Mentioned, by Stakeholder Group

Urban planners	Politicians	Landlords and developers	Nonprofit developers	Housing policy researchers	Tenant advocates and organizers
Permitted rent increases	Permitted rent increases	Unit decontrol	Types of housing covered	Permitted rent increases	Unit decontrol
Tenant protections	Types of housing covered	Permitted rent increases	Permitted rent increases	Unit decontrol	Permitted rent increases
Unit decontrol		Types of housing covered		Exceptions to rent caps	Tenant protections

Source: Authors' interviews with rent control policy stakeholders.

Permitted Rent Increases

The rate at which landlords can increase rents is a core component of a rent regulation. Increases are set using a fixed formula determined by a state or local housing agency, or they are determined each year or in some other interval by a rent control board. Programs with formula-based rent increases use a few common methods to set their yearly increases, such as the following:

- increases equal to the full amount of the annual consumer price index (e.g., Los Angeles; Newark, New Jersey)
- increases equal to a percentage of the annual consumer price index (e.g., West Hollywood, California; Cambridge, Massachusetts)
- changes in the cost of living throughout the duration of a lease (e.g., Jersey City, New Jersey)

Annual rent increases can also be influenced by the political landscape within a jurisdiction if rents are set by elected or appointed rent boards. For example, in New York City, the Rent Guidelines Board is made up of nine members, all appointed by the mayor, who vote on yearly rent increases. A recent report found large differences in the average yearly increases between administrations, with current Mayor Bill de Blasio's board much more likely to vote for freezes compared with the board appointed by former Mayor Michael Bloomberg (Stein 2021). One landlord of small properties whom we interviewed stated that what small local landlords perceived as overly restrictive rent control boards and measures cause those unable or unwilling to accept lower profits to sell.

We don't have big, giant Jared Kushner-type guys like they have in New York. I wouldn't be surprised to see those guys come here if people like me say, "Oh, screw this. This isn't worth it. I don't want to deal with all these rent boards telling me what to do and what I can charge. I can't get rid of somebody that's screwing around in the neighborhood or causing trouble and having the cops called on them all the time. I'll just sell them. I'll sell them to Jared Kushner and let people deal with him."

—Landlord

A more recent form of rent control, referred to as antigouging statutes, sets high maximum rent increase caps statewide. Used in California and Oregon, antigouging measures aim to prevent both gentrification and homelessness caused by steep rent hikes, which occur disproportionately in lower-cost units and for low-income renters.³ California and Oregon rent caps—at 7 and 5 percent plus inflation, respectively—are higher than the typical yearly rent increases of 1 to 3 percent allowed in other rent-controlled jurisdictions.

Some housing policy researchers and developers believe that antigouging caps allow for needed flexibility within markets and will not hinder construction and that the simplicity eases the administrative burden of statewide implementation. But in California, tenant organizers stated that Assembly Bill 1482, California's antigouging policy, was too high to prevent displacement of low-income and economically precarious renters. One tenant advocate explained, "Increases of only 2 or 3 percent are what often cause people to lose their homes." This raises the largely unstudied questions of what level of yearly rent increase allowance improves housing stability and how this decision affects low-income renters and renters of color. Pinpointing the optimal yearly increase is particularly important because rent control does not include participant-level targeting, which is discussed more in box 2.

BOX 2

The Role of Means Testing in Rent Control

Because rent control is a blanket policy without a targeting mechanism, such as the means testing or income restrictions used in inclusionary zoning, some policymakers and researchers have questioned whether rent control can even be considered an affordable housing policy solution. As one member of our project's advisory group reflected, "Affordability is a measure of price relative to income; rent control only addresses price." We outline common sentiments for and against means testing policies shared by interviewees below.

Critics, including real estate lobby representatives and some housing policy researchers, argued that its lack of targeting makes rent control inefficient and provides subsidies for tenants who do not necessarily need them.

- "You could have a doctor and their partner making \$300,000 a year benefiting from the lower rent and caps, whereas someone making minimum wage is forced into a more expensive unit. It doesn't truly ensure low-income renters are the beneficiaries."
- "[In Washington, DC,] we have a lot of couples and singles that earn more than families and are bidding on the same homes. Rent control supports residents without any attention paid to income."

On the other hand, tenant advocates and other researchers believe its broad application is essential to rent control's strengths. They say rent control, used as a consumer protection policy, encourages neighborhood stability, reduces bureaucracy and administrative costs, and eliminates potentially exclusionary renter vetting requirements.

- "Means testing isn't the issue. Everybody needs low-cost housing if you want a better society. [If you use means testing,] then what happens to people who are middle income and they lose their jobs? We want to make housing less of a commodity and more of a community asset, or we're not going to have stable communities. We don't have communities because people can't stay where they are."
- "[Inclusionary zoning] is very heavily means-tested, but that has created so many procedural hurdles that make it difficult for people to access housing. I think [the lack of means testing] is a strength of rent control because there aren't these procedural hurdles or the hurdles of discrimination, having to provide documentation—it's just a normal person trying to find housing."

Types of Housing Covered

The most common criteria used to determine whether a property is covered by a rent control regulation are the age and size of the property and the landlord's portfolio. Policymakers generally try to include as much of the rental housing stock as possible within the regulation. Broad inclusion is then often challenged by the developer and real estate lobbies that believe rent control may dampen new development, unfairly burden small landlords, or reduce their profit margins. These negotiations and subsequent trade-offs have meant that most rent control policies exempt new construction, exempt buildings constructed after a certain date, or offer a grace period before a building is incorporated into the controlled stock.

Some tenant advocates and housing policy researchers stated that excluding new or more recently constructed buildings unnecessarily limits rent control's coverage. The number of apartment units constructed, they contend, is more strongly linked to existing exclusionary land-use policies, market conditions, and economic cycles than it is to rent control. Indeed, research comparing jurisdictions in New Jersey with and without rent control found no relationship between rent control and the number of units constructed (Gilderbloom and Ye 2007). Another study comparing construction rates before and after the end of rent control in the Massachusetts localities of Boston, Brookline, and Cambridge found the policy did not significantly affect short-term construction rates (Sims 2007). Such findings could suggest that the reduction in rental units found in other studies is driven predominantly by condominium conversions rather than by reduced construction, although this question requires more research.

Tax exemptions are also used to add units in recently constructed buildings to the controlled stock, and this opt-in method addresses fears of stymied construction. For example, the Affordable New York program, commonly referred to as 421-a, provides developers with a subsidy to place their units under rent regulation. Similarly, the city's J-51 exemption and abatement program subsidizes renovations or conversions of industrial or commercial spaces into apartments under the condition the buildings remain stabilized for 20 years.⁴ Tax exemption programs incentivize additional controlled housing supply. However, one housing policy researcher and advocate described the exemptions as overly generous and "a monumental giveaway to developers," as rents are still initially set at market rates and arguably "produce rent-stabilized housing that's not necessarily affordable at all." Rent control provisions can also be placed temporarily on buildings that were developed using other tax credits or exemptions but are transitioning to market rate (box 3).

BOX 3

Placing Expiring LIHTC Properties under Rent Control Can Prevent Rapid Rent Increases

The Low-Income Housing Tax Credit (LIHTC) program is one of the largest federal sources of new affordable rental housing in the US. Tax credits are given to private and nonprofit developers to build or rehabilitate projects so long as a portion of units are kept affordable (usually accessible to residents whose incomes are below 60 percent of the area median income) for 15 to 30 years, at which point the developers can convert the units to market rate. Many of these affordability requirements are set to expire, with more than 485,000 LIHTC units set to reach 30 years between 2020 and 2029.

Now, some states and jurisdictions are trying to prevent rapid rent increases from displacing LIHTC tenants—disproportionately people with low incomes, people of color, and seniors—by placing these buildings under rent stabilization. In Massachusetts, state legislators placed these buildings under temporary rent stabilization, creating a rent cap on government-assisted properties in the first three years after their affordability requirements expire.^a

^a Bob Katzen, “Beacon Hill Roll Call: Nov. 23–27, Retain Affordable Housing (S 2190),” *Somerville Times*, December 8, 2009, <https://reading.wickedlocal.com/article/20091208/NEWS/312089414>.

Most rent control regulations limit coverage by the number of units within a building and generally exclude small buildings and single-family homes. This limit is intended to exclude small landlords, who are more likely to own these properties and to sell or convert their properties into condominiums. This exclusion raises equity concerns; single-family homes have become an increasingly larger share of the rental housing stock, particularly in racially diverse neighborhoods, and their tenants are more likely to have children living in poverty (Pfeiffer, Schafran, and Wegmann 2020). And some large landlords own many small units, allowing them to evade rent control regulations. Washington, DC, uses an alternative approach that bases coverage on the size of the owner’s portfolio, rather than on the number of units within a building, in an attempt to exclude small landlords from regulation. Similarly, California’s 2019 Tenant Protection Act differentiates between small landlords and investors by ensuring that real estate investment trusts and corporate owners of single-family rentals are included in the coverage.

Manufactured homes, whose 22 million renters and owners in the US are disproportionately lower-income than their single-family and multiunit owner and renter counterparts, are also increasingly covered by rent control policies.⁵ A housing policy researcher explained that the addition of manufactured homes to rent control policy coverage in New York via the Housing Stability and Tenant Protection Act of 2019 was an important step toward equitable coverage of housing types in the state. The researcher explained that manufactured homes are generally not as well regulated as large-scale apartment buildings but face similar rent hikes on the land they occupy. “The same investors that were buying up rent-stabilized properties to decontrol them were buying up these manufactured home parks to raise rents on RV tenants,” the researcher said. “While manufactured home residents are in some ways homeowners, they are also land tenants.”

Removal of Units from Rent Control

Buildings or units are removed from rent control's coverage in two main ways: vacancy decontrol and condominium conversions. Vacancy decontrol is a common method of unit decontrol, with one study of rent regulations in New Jersey finding that three-quarters of all city-level legislation contained some form of vacancy decontrol (Goetz et al. 2021). Similarly, vacancy bonuses allow landlords to raise rents by a much higher percentage than previously allowed by the permitted rent increase, but the units remain part of the controlled stock.

Generally, the landlords, developers, and property management representatives we interviewed support vacancy decontrol because they believe that without it, landlords would not have enough of an incentive or return on investment and that housing supply could be reduced. One landlord believes vacancy decontrol makes rent control more palatable: "The rent control itself is not that big of a deal [if it allows for vacancy decontrol]." But the landlord went on to say that vacancy decontrol does affect tenant selection: "We do like students. Number one, they leave...I always do raise the rents to market rates when they leave. The best tenants are the people that pay the most." In this case, vacancy decontrol rewards landlords for choosing students or highly mobile tenants over longtime community members or families and allows them to subsequently raise rents and prioritize higher-income tenants.

Tenant selection bias is not the only negative impact of vacancy decontrol from the perspective of renters; it is also known to incentivize tenant displacement. One housing researcher and tenant advocate explained: "Laws were improved in New York to get rid of what we call the eviction bonus, which the landlords call the vacancy bonus, that allowed for up to a 20 percent rent increase just between tenants. With that in place, a landlord would be incentivized to churn through tenants." This displacement may be through eviction or other indirect and informal means, such as delayed maintenance or not renewing a lease.

Removing vacancy decontrol was also frequently mentioned by interviewees as being fundamental to positive housing stability outcomes for tenants of color. Studies have shown that cities with vacancy control—places where rent control remains in place at the same level even after a tenant is replaced—experienced an increase in their share of Black and Latinx renters and were generally more affordable to low-income households. Conversely, jurisdictions with vacancy decontrol were less affordable and disproportionately displaced Black renters (Heskin, Levine, and Garrett 2007).

Significant evidence also exists that rent control policies have led to an overall reduction in rental units through condominium conversions, building sales, and owner move-ins (whereby owners evict tenants to occupy the unit or allow a family member to occupy the unit). In San Francisco, rent control was associated with mass condominium conversions, and apartment buildings under rent control were 10 percent more likely to be converted to condominiums than noncontrolled buildings (Diamond, McQuade, and Qian 2018). But some housing researchers say attributing this phenomenon solely to rent control creates an oversimplified causal correlation that ignores other external factors such as fluctuating building costs, shifting demographics, and local land use and zoning policy (Chew and Treuhaft 2019). Now, San Francisco limits condominium conversions to 250 annually. One interviewee

noted, however, that property owners still find ways to work around the policy: “[The way] in which they convert property in cities like San Francisco is to hold property as tenancy in common. So six people will buy a building together, and each will have their own agreements and occupy different units, so they’re technically not condos, but they operate like them.” Other jurisdictions have passed reforms to address such policy loopholes and prevent decontrol or loss of additional affordable rentals:

- In Mountain View, California, an ordinance prevents condominium conversions until the city has a certain number of apartments in the housing stock.
- In Cambridge, Massachusetts, conversion applications must be submitted three years ahead of time.
- In San Jose, California, selling a property does not trigger any change in rent control, and demolition is the only way a landlord can remove a property.

While some loss of units is inevitable in places with rent control policies that allow deregulation through condominium conversion, building sales, and owner move-ins, program managers stressed that localities need to assess and project net controlled unit counts to ensure well-funded and sustainable programs. For example, many jurisdictions—including San Jose and Berkeley in California—levy yearly per unit registration fees on all stabilized units to pay for local government rent stabilization programs. This means that funding for successful program operation and implementation depends on maintaining a somewhat stable count of controlled units.

Tenant Protections

To address the harassment, retaliation, and evictions incentivized through vacancy decontrol and condominium conversions, recent rent control policy reforms and enactment efforts have included tenant protection measures or have been paired with tenant protection ordinances. The most common tenant protection is just-cause eviction, which allows a landlord to file an eviction against a tenant only under certain conditions, usually limited to cases of nonpayment of rent, major and repeated lease violations, or illegal activity. Sometimes just-cause eviction protections apply only to rent-controlled units, and sometimes they are passed as separate regulations that apply to all rental units within a local jurisdiction or state.

Many jurisdictions also differentiate between evictions that are the “fault” of the landlord and evictions that are the “fault” of the tenant. For example, California’s and Oregon’s statewide tenant protection laws require that when an eviction is the fault of the landlord (e.g., when the landlord intends to sell or withdraw the property, to occupy the property, or to substantially renovate the property), the landlord must compensate the tenant. Compensation can take the form of rent waivers or relocation assistance as a flat fee or a cumulative number of months’ rent.

While reducing the incentives for landlords to file formal evictions is crucial, both landlords and tenant advocates acknowledged that landlords have other ways of forcing tenants to move so they can raise rents. One housing policy researcher pointed out, “The landlord doesn’t have to evict them, they

can just choose to not renew their lease if they think somebody else will come in and pay more.” Formal eviction filings, which are often costly and time-consuming for landlords, are not necessary in the absence of guaranteed lease renewal. Some cities have enacted guaranteed lease renewals to address this.

Landlords may also pressure and harass tenants to leave or reduce services and maintenance to rent-controlled units. “Antiharassment ordinances are really critical,” explained a housing policy researcher and tenant activist. “This makes it so tenants are actually able to secure their rights without retaliation. Rent control and guaranteed lease renewal means that you are not going to get evicted because the landlord doesn’t like you, or you had a kid, or you moved in with your roommate, or you complained because the heat was out during winter.” Closing these loopholes undoubtedly has high administrative costs, and programs will only successfully address these policy gaps if code enforcement, antiharassment, and just-cause eviction enforcement programs are concurrently passed, well funded, and sufficiently staffed. Therefore, removing vacancy decontrol may be the only way to ensure that tenants are not pushed out of units unfairly.

Exceptions to Rent Caps

Exceptions to rent caps, such as the following, were not frequently identified by interviewees and project advisory group members as being likely to have a large effect on overall and affordable housing supply or on differential outcomes for tenants with low incomes or tenants of color:

- **Cost pass-throughs for maintenance or capital improvements.** In some jurisdictions, landlords can request to surpass an allowable rent increase to recoup losses related to building maintenance or improvements. While these provisions were meant to address property quality and maintenance concerns, particularly for small landlords, one landlord representative stated that these exceptions are often difficult to apply for and receive: “Landlords put double-pane windows. They fixed balconies, railings, decks, repaired the roof and made other improvements that they had to make...There is a very complicated bureaucratic process for this owner to go through to justify why they may need an additional \$200 a month.” Some tenant advocates counter that these improvements and subsequent pass-throughs can be unnecessary and overburden tenants, but regulations that limit the amount a landlord is allowed to recoup and which repairs qualify can also be determined locally.
- **Right to fair return.** To ensure landlords have sufficient cash flow, nearly every jurisdiction has some form of “reasonable” return or guarantees to landlords. These hardship petitions seeking approval to raise rents over the standard permitted rent increases are usually granted, and the subsequent increases are typically calculated as a measure of income the property generates against the approved operating costs and valuation. In Washington, DC, for example, landlords can file a petition if they earn anything less than a 12 percent rate of return on their investment property.

Rent Control's Spillover Effects Can Challenge Unequal Power Dynamics

We find that dominant theories and frequently referenced rent control research still center the basic economic theory that price caps limit supply. Unfortunately, this theory overlooks important positive effects of rent control for tenants, as one tenant advocate explained: “Having stability in your home is crucial for people’s lives and futures, as well as their emotional, family, neighborhood ties. I think some of the hidden gems are that the policy does build stronger civic leadership.” The stability and subsequent strong social ties resulting from rent control have often created political and social support networks that allowed tenants to increase their engagement and advocate for their rights.

Renters, particularly low-income renters and renters of color, are less politically represented and engaged than are their homeowner counterparts in formal land use, zoning, and overall policymaking processes (Einstein, Ornstein, and Palmer 2019; Trounstein 2020). Tenant advocates we interviewed said renters in regulated units build stronger social networks, tenant associations, and unions. One advocate explained: “Rent control has made a key difference in challenging the power imbalances not only between tenants and landlords but [also in] increasing civic engagement.” These organizations, many of which were formed to push for rent control’s passage or stronger policy provisions, also provided critical knowledge, resources, and support for renters who had not previously been involved in other forms of housing policy advocacy or formal land-use planning and zoning decisionmaking channels.

Tenants in rent-controlled units, particularly those with strong just-cause eviction protections, may also be more likely than renters in unregulated units to challenge landlord harassment and insist on unit repairs. While landlords, developers, and some housing policy researchers stated that rent control may lead to declines in property maintenance for controlled units, tenant advocates countered that stabilization helps mitigate landlord-tenant power imbalances and gives tenants needed social support. As one tenant advocate explained, “Rent-stabilized tenants will speak up when there’s a problem in their building in a way that not-rent-stabilized tenants won’t.”

Challenges to the Equitable Provision of Affordable Housing Are Tied to External Market Factors

The diversity of stakeholder experiences and opinions, along with largely varied and inconclusive empirical evidence, means that broad statements about the overall efficacy of rent control are unproductive at best. One takeaway is that external economic cycles and local housing market landscapes are more clearly tied to housing production and market-rate supply trends than is rent control alone. One advocate and housing policy researcher emphasized that the housing conditions and racialized market factors that lead tenants and activists to advocate for rent control are overlooked when rent control is causally attributed to decreases in housing affordability and supply:

It was a convergence of factors that weakened housing affordability over the years. What about gentrification pressures and not enough affordable housing production? What about the financialization of housing—government policies that have fused real estate with Wall Street’s financial markets, fueling and deregulating speculation? What about the loopholes and weaknesses in tenant protections, including how landlords gutted rent stabilization? We can observe effects but need to consider the causes more broadly.

Land-use and zoning codes, as well as building codes, were noted as the biggest barriers to increasing production of both affordable and market-rate housing. Increased bureaucratic hurdles such as permitting fees or long and conditional approval processes can slow production and increase costs.

I’m going to say that 40 years ago, when I first started being a building contractor, I could walk into the county building with a plan that was basically three pages. I would walk out with a permit, and it would cost me about \$200, in an hour, one hour. Now, it would take you, probably, at least four to six months to get a permit, which would cost you \$30,000.

—Contractor

Researchers and policymakers interested in rent control’s potential impact on housing supply might also examine the effects of existing land-use and zoning regulations on affordable housing production.

Enacting rent control in tandem with supply-side policy solutions, such as reducing exclusionary zoning and land-use policies, can help address fears of zoning-induced displacement and lead to better place-based planning. A housing policy researcher and advocate explained:

Good urban planning gets translated very quickly into rent increases. The expansion of transit, sustainability initiatives, all sorts of things that neighborhoods want, you can actually take out the secondary spillover effects of land-use decisions by having strong rent control systems. I have been a critic of up-zonings in working-class neighborhoods in large part because it can have this displacement pressure on neighboring sites. If we had a strong enough rent control system, that would be much less of a concern and we could start having smarter discussions about what we want our land-use systems and growth to look like.

When passed in conjunction with other housing policies to address housing affordability, stability, and sufficient supply, rent control may resolve potential competing housing policy priorities.

Implementation Is Key to Equitable Programs

Decisions about how to administer, enforce, and communicate to renters and landlords about rent control programs are critical to ensuring equitable tenant outcomes. But implementation, enforcement, and tracking are not necessarily part of a regulation itself. We outline examples and considerations in the sections below.

Administration and Enforcement

Decisions about who will govern, administer, and enforce rent control can mitigate or compound existing unequal tenant-landlord power dynamics. For example, Oregon's statewide antigouging rent cap has no formal administrative body that supports compliance. This leaves enforcement to tenants alone, as complaints can be resolved only when a tenant initiates a lawsuit against a landlord. This effectively leaves only the tenants who have the time, background knowledge, and resources to take their landlords to court able to securely enforce this provision.

Even programs with elected or appointed boards or existing governing bodies are generally reliant on tenant-initiated complaints. One program manager noted that renters who are undocumented were less likely than renters with citizenship to use the locality's tenant-initiated system, as the gap between reporting and enforcement leaves ample time for landlord retaliation. In New York, for example, it took the Office of Rent Administration an average of 24 months to get an overcharge case assigned to an examiner.⁶

Education and Program Tracking

Recent rent control policies often have additional features to address negative outcomes from previous policy iterations. While closing loopholes creates targeted policies, it can also make them more complicated. Dense regulations are hard for both landlords and tenants to understand, which can leave landlords to accidentally fall into noncompliance or tenants unable to assert their rights. "There are just all these little loopholes everywhere," a landlord explained. "It's always going to be incremental, and pretty soon, you have people on the side, people that actually provide houses, saying, 'This isn't worth it.'" Oakland, California, counters these concerns by proactively offering rent stabilization workshops for small property owners, along with workshops geared toward teaching tenants their rights under the law.

Tenants and landlords find their administrative burdens eased when localities track data about landlords, rents, and buildings subject to rent control. In San Jose, California, when tenants believed their landlord raised their rent to illegal levels, they had to initiate a petition to the city themselves. This changed in 2015 when the mayor and city council requested the rent stabilization program division to begin a rental property registry that tracked controlled apartments, tenancy, and allowable increases through an online portal. These data were also paired with property-level eviction data. As the program manager explained, "It's helpful because it gives us a little bit more clarity as to what's happening for rent-controlled units...We're not trying to dig up information to use against anybody, we just want to

make sure whatever laws we do have in place are assisting the community.” The registry not only shifted the compliance responsibility from the tenant to the city but also gave the city valuable data to track and monitor the program.

Conclusion

Tenant advocates and organizers are leading a push for new rent control policies alongside efforts to repeal statewide restrictions and preemption. This has increased interest in the ability of different program design options to achieve specific housing goals. But even for cities such as New York or San Francisco that have been studied thoroughly, virtually no data or analysis has highlighted the causal effects of reforms over time and how these gradual shifts can result in varying affordable housing outcomes. For example, cities within New Jersey saw their rent control regimes watered down by small changes throughout the early 2000s, making the policy significantly less restrictive (Ambrosius et al. 2015). Yet no one has extensively examined the effects of various reforms across and between jurisdictions on the supply of and access to housing that is affordable for people of color and low-income renters.

To help inform the debate about rent control, we will use what we learned through this qualitative research and employ machine-learning methods to collect data on rent control reforms from newspaper articles across the country. We will then use panel data econometric techniques to estimate the impact of rent control reforms on housing supply, housing affordability, and access to high-opportunity neighborhoods for people of color and residents with low incomes.

Notes

- ¹ Inclusionary zoning is a housing policy that offers incentives or mandates that developers set aside a share of units in new developments to be rented or sold at below-market rates. Some IZ policies also give developers the option of paying an in-lieu fee instead of developing actual affordable units or building the units in a different location from the primary development.
- ² See Downs (1988), Friedman and Stigler (1946), Gyourko and Linneman (1989), and Olsen (1972) for examples of these early works.
- ³ While the speed and scale of implementation for rent control make it effective at quickly addressing private market affordability concerns, there are often immediate negative impacts for renters in the gap between policy passage and implementation. Between California’s statewide antigouging bill’s passage in September 2019 and its enactment in January 2020, tenants’ rights advocates reported increased instances of renter displacement as landlords hiked rents and refused to renew long-term leases in anticipation of the cap.
- ⁴ “Tax Abatements and Exemptions FAQ,” NYC Rent Guidelines Board, accessed August 14, 2021. <https://rentguidelinesboard.cityofnewyork.us/resources/faqs/tax-abatements-exemptions/>.
- ⁵ Jung Hyun Choi and Laurie Goodman, “22 Million Renters and Owners of Manufactured Homes Are Mostly Left Out of Pandemic Assistance,” *Urban Wire* (blog), Urban Institute, August 21, 2020, <https://www.urban.org/urban-wire/22-million-renters-and-owners-manufactured-homes-are-mostly-left-out-pandemic-assistance>.
- ⁶ “New Rent Law Deluges Backlogged Tenant Overcharge Claims,” *AmNY*, October 1, 2019, <https://www.amny.com/news/new-rent-law-deluges-backlogged-tenant-overcharge-claims-2/>.

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Christina Plerhoples Stacy is a principal research associate in the Metropolitan Housing and Communities Policy Center at the Urban Institute, where she specializes in urban economics, equity, and inclusion. Stacy's work focuses on the intersection of economics and urban spaces and how housing, transportation, local economies, health, and crime interact.

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- Solomon Greene, Senior Fellow, Urban Institute
- AJ Jackson, Executive Vice President of Social Impact Investing, JBG Smith
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PROFESSIONAL SYNOPSIS

Christina Plerhoples Stacy, Ph.D., is a Senior Research Associate with the Metropolitan Housing and Communities Policy Center at the Urban Institute. Dr. Stacy specializes in urban economics and applied econometrics. Her work focuses on the intersection of economics and urban spaces and how housing, local economies, health, and crime interact.

Dr. Stacy is currently leading a randomized controlled trial of the provision of a conditional and unconditional cash transfer coupled with after school programming and subsidized employment aimed at reducing youth violence and improving population health. She also recently completed a fellowship with the Robert Wood Johnson's Interdisciplinary Research Leaders Program where she and two other fellows examined ways in which a more strategic approach to housing code enforcement in Memphis, Tennessee could improve health outcomes in low-income neighborhoods. And, she co-led a related health study with Johns Hopkins University examining the relationship between a new zoning law restricting non-conforming liquor stores in Baltimore, Maryland, and the social determinants of health for nearby residents.

In the housing realm, Dr. Stacy is currently studying whether and how local zoning reforms can unlock the housing supply and increase affordability. She is also working with the City of Alexandria, Virginia to undertake a community engaged study to develop a new land use regulation related to Accessory Dwelling Units. And, she is part of a team evaluating HUD's technical assistance efforts and she recently completed an evaluation of the cost effectiveness of HUD's Moving to Work demonstration, which gives public housing authorities exemptions from many existing public housing and voucher rules and more flexibility with how they use their federal funds. She previously evaluated a number of homeownership support programs, such as LIFT, a down payment assistance program, shared equity, a program which allows low- and moderate-income families to purchase homes at below-market prices in exchange for restrictions on the proceeds they can earn upon resale, and Homewise, a vertically integrated nonprofit housing support organization that provides a second mortgage which allows for a low-down payment without the requirement of mortgage insurance.

Dr. Stacy is also heavily involved in research involving community and economic development. As part of this work, Dr. Stacy led an effort to measure the spatial mismatch between job seekers and employers using big data from Snagajob, the largest online job search engine for hourly workers. She also managed an effort to measure inclusion in US cities, and to determine ways in which cities can recover from economic distress in a way that allows historically excluded residents to contribute to and benefit from economic growth. She is currently leading the development of a transportation equity index for

metropolitan regions throughout the US with the goal of producing a tool that cities can use to track and improve transportation within their cities in an equitable manner. Dr. Stacy is also co-leading an evaluation of the New Markets Tax Credit Program, which attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries. She previously helped to evaluate the Community Development Block Grant Disaster Recovery (CDBG-DR) program and the Strong Cities, Strong Communities National Resource Network (SC2 NRN). Locally in the District of Columbia, Dr. Stacy led the creation of a set of recommendations for the Mayor of D.C. on how to build a vibrant economy, focusing on how to create equity, support small businesses, and grow the overall economy.

Related to her work on local development, Dr. Stacy has a continued interest in the economics of crime. As part of her work in this area, she estimated the relationship between gun shots and firm behavior using gunshot data from ShotSpotter, a gunshot detection system. Dr. Stacy previously examined the relationship between increases in overall economic activity and crime, and the effect of vacant building demolitions on crime in depopulating cities. She also has a continued interest in how crime and racial discrimination intersect, including ban the box and other policies meant to improve outcomes for people with criminal records.

Dr. Stacy is also experienced at evaluating personal finance interventions using Randomized Controlled Trials. She and a team undertook a randomized evaluation of the effectiveness of a rule of thumb based financial literacy intervention for credit card revolvers, and a randomized evaluation of financial coaching – a method of financial assistance in which a coach provides a structure for clients to develop their own solutions to whatever problems they are facing.

Prior to joining the Urban Institute, Dr. Stacy earned her Ph.D. from Michigan State University in Agricultural, Food, and Resource Economics where she worked for the State and Local Government Extension Program. She also served as a CSWEP fellow at the Federal Reserve Bank of Cleveland and as a summer researcher at the Michigan State Senate Fiscal Agency. Before earning her Ph.D., Dr. Stacy received a master's degree from the University of Pittsburgh's Graduate School of Public and International Affairs and a bachelor's degree from Boston College.

EDUCATION

PhD, Agricultural, Food, and Resource Economics, Michigan State University, 2013

MA, International Development, Graduate School of Public and International Affairs, University of Pittsburgh, 2006

BA, Psychology, Boston College, 2003

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Long-Term Positions

June 2013-present

Senior Research Associate (2016-present)

Research Associate I (2013-2016)

Urban Institute, Metropolitan Housing and Communities Policy Center
Washington, DC

Supervisor: Brett Theodos, Senior Research Associate

Primary research lead on projects related to community and economic development, housing, health, and inclusion in the Metropolitan Housing and Communities Policy Center.

Funded research and project summaries

- **Access to Opportunity through Equitable Transportation:** 2019-2020, \$315,000
Sponsor: Mastercard Center for Inclusive Growth
Description: Evaluation of transportation equity across cities and development of a data tool for community leaders and decisionmakers to use to ensure that equity and inclusion are a key part of every transportation decision.
Role: Principal Investigator
- **Accessory Dwelling Unit Program: Planning and Outreach Professional Services:** 2020, \$30,000
Sponsor: City of Alexandria, Virginia
Description: Community engaged study to design an accessory dwelling unit policy for the City of Alexandria, Virginia
Role: Principal Investigator
- **Can barrier reduction subsidies help reduce youth delinquency and improve population health? A Randomized Controlled Trial in Wilmington, Delaware:** 2019-2021, \$436,244
Sponsor: The Robert Wood Johnson Foundation
Description: Randomized controlled trial evaluation of a youth violence prevention program and barrier reduction subsidy in Wilmington, Delaware
Role: Principal Investigator
- **The Effects of the New Markets Tax Credit Program on Neighborhood Outcomes:** 2018-2020, \$218,245
Sponsor: The Arnold Foundation
Description: Evaluation of the impacts of New Markets Tax Credit projects on their expected neighborhood outcomes.
Role: Co-Principal Investigator
- **Unlocking the Housing Supply Through Regulatory Reform: Lessons from the Past, Strategies for the Future:** 2018-2020, \$384,748
Sponsor: Smith Richardson Foundation
Description: Analysis of 1) what land-use reforms have occurred in the U.S. since the beginning of the 2000s, 2) what have been the impacts of these reforms on housing supply and rental costs, 3) through what process of advocacy, organizing, and negotiation were reforms enacted at the state and local levels, and 4) What elements of regulatory implementation distinguish a successful reform from an unsuccessful one?
Role: Lead Quantitative Researcher
- **Youth Violence Prevention Initiative and Pilot Program Evaluation:** 2018, \$46,000
Sponsor: The State of Delaware, Department of Health and Social Services, Division of Social Services, Dr. Kara Odom Walker (Kara.Walker@state.de.us)

- Description: Baseline data assessment and evaluation planning for Delaware's comprehensive youth violence prevention initiative and pilot program. The analysis will inform policy development and implementation to maximize the potential of the initiative to prevent violence and improve health and related outcomes for Delaware's youth and optimize the program's potential to reduce health inequities among children and adolescents in Delaware.
Role: Principal Investigator
- **Neighborhood Displacement and Employer-Employee Spatial Mismatch:** 2018, \$55,000
Sponsor: Urban Institute, Margery Turner (maturner@urban.org)
Description: Analysis of unique, detailed proprietary data from an hourly online job search engine called Snagajob to explore spatial mismatch between employers and employees to determine what types of policies and programs can help to mitigate it.
Role: Principal Investigator
 - **HUD Technical Assistance Assessment:** 2017-2020, \$899,177
Sponsor: US Department of Housing and Urban Development, Lynn Rodgers (Lynn.A.Rodgers@hud.gov)
Description: Evaluation of the program performance and outcomes of the U.S. Department of Housing and Urban Development Technical Assistance programs under the Community Compass structure
Role: Task Lead for Administrative Data Analysis
 - **Health in All Policies: Evaluating the Use of Alcohol Outlet Zoning Policy to Improve Health, Safety, and Economic Conditions in Urban Neighborhoods:** 2017-2018, \$40,000
Sponsor: Johns Hopkins University 21CC Seed Grant
Description: Development of a comprehensive and practical framework for assessing the impact of Baltimore's new alcohol outlet zoning policies on the health, safety, and economic conditions of residents living in the affected neighborhoods.
Role: Co-Principal Investigator
 - **Inequality versus Inclusion:** 2017, \$15,000
Sponsor: Fleishman Innovation Fund, Margery Turner, (maturner@urban.org)
Description: An analysis of the relationship between income inequality and inclusion, or the opportunity for all residents to benefit from and contribute to economic prosperity.
Role: Principal Investigator
 - **Affordable Homeownership: An Evaluation of Shared Equity Programs:** 2017, \$15,000
Sponsor: Fleishman Innovation Fund, Margery Turner, (maturner@urban.org)
Description: Evaluation of shared equity homeownership programs on the financial health of program participants.
Role: Researcher
 - **Strategic Housing Code Enforcement and Public Health: A Health Impact Assessment in Memphis, Tennessee:** 2017-2019, \$125,000
Sponsor: The Robert Wood Johnson Foundation, Nancy Wieler Fishman (nfishman@rwjf.org)
Description: A health impact assessment examining the ways in which more strategic housing code enforcement system could improve health in Memphis, Tennessee.
Role: Principal Investigator
 - **Interdisciplinary Research Leaders Program:** 2016-2019, \$75,000
Sponsor: The Robert Wood Johnson Foundation, Nancy Wieler Fishman (nfishman@rwjf.org)

- Description: Engagement in the Interdisciplinary Research Leaders program, which is a three-year engagement in leadership training, exploration of methods for conducting cutting edge research, mentoring, and networking with a companion research project, meant to better effect change and become part of the next generation of leadership in population health and health equity research.
Role: Principal Investigator
- **Improving the Speed of Housing Recovery Program Launch after Severe Disaster:** 2016-2019, \$500,000
Sponsor: US Department of Housing and Urban Development, Paul Joice (paul.a.joice@hud.gov)
Description: Study of home rebuilding programs supported by Community Development Block Grants for Disaster Recovery administered by HUD. Project includes: 1) a quantitative and qualitative retrospective assessment of CDBG DR grantees from 2006-2015 to identify best practices for improving the speed and quality of programs; and 2) the development of guidance for grantees in using the web-based tool and a general guidebook on program launch.
Role: Deputy Principal Investigator
 - **Ban the Box:** 2016, \$36,500
Sponsor: Boys and Young Men of Color, Margaret Simms, (msimms@urban.org)
Description: Review of the effects of Ban the Box policies on the hiring of people with criminal records and minorities, and a policy debate on policy alternatives.
Role: Principal Investigator
 - **Rules of Thumb Evaluation:** 2013-2016, \$899,808
Sponsor: Consumer Financial Protection Bureau, Susan Kerbel (Susan.Kerbel@cfpb.gov)
Description: Evaluation of the effectiveness of a rules of thumb-based approach to financial education, and potentially the effectiveness of different delivery mechanisms (communication strategies) for the information, including the timing and channel of information delivery.
Role: Project Manager and Lead Researcher
 - **Moving to Work Demonstration Program Evaluation:** 2016-2018, \$2,171,076
Sponsor: US Department of Housing and Urban Development, Elizabeth Rudd (Elizabeth.C.Rudd@hud.gov)
Description: A series of research tasks related to describing and measuring the impacts of activities related to MTW.
Role: Researcher
 - **Detroit Research Practitioner Forum:** 2016-2017, \$89,337
Sponsor: Kresge Foundation, Chera Reid (CDReid@kresge.org)
Description: A convening of mid-level scholars, practitioners, policymakers, and philanthropic leaders to identify the next generation of research questions for the City of Detroit.
Role: Project Manager
 - **Inclusive Recovery:** 2016-2017, \$210,663
Sponsor: Kresge Foundation, Benjamin Kennedy (bskennedy@kresge.org)
Description: An empirical analysis of economic recovery and inclusion in U.S. cities and a convening of cities to discuss policies and practices that lead to inclusive recovery.
Role: Project Manager and Lead Researcher
 - **NMTC Roundtable and Research Design:** 2016, \$70,621

Sponsor: Arnold Foundation, Michelle Welch (MWelch@arnoldfoundation.org)
Description: Roundtable and creation of an evaluation plan that outlines a set of future directions for research for the NMTC program.
Role: Lead Researcher

- **CDBG@40:** 2015-2016, \$300,000
Sponsor: Ford Foundation, Rowena Nixon (r.nixon@fordfoundation.org)
Description: A roundtable convening and report on the current state, and potential future, of the Community Development Block Grant (CDBG) program.
Role: Project Manager
- **Building a Vibrant Economy in Washington, DC: Challenges and Choices for the New Mayor:** 2015, \$25,000
Sponsor: Open Society Foundation
Description: Work with community and government leaders throughout D.C. to produce a roundtable and policy recommendations for the new Mayor of D.C. on how to build a vibrant economy.
Role: Project Manager
- **Strong Cities Strong Communities National Resource Network Evaluation:** 2014-2017, \$383,250
Sponsor: US Department of Housing and Urban Development, Patrick Jordan (pjordan@enterprisecommunity.org)
Description: An independent evaluation of the Strong Cities, Strong Communities National Resource Network.
Role: Researcher
- **Barriers to Homeownership:** 2014-2016, \$30,000
Sponsor: Fleishman Innovation Fund, Margery Turner, (maturner@urban.org)
Description: Evaluation of the effects of a homeownership support organization's attempt to remove the savings barrier for its clients and what affect this barrier removal has on the loan performance behavior of its client households.
Role: Principal Investigator
- **Shared Equity Evaluation:** 2012-2016, \$734,000
Sponsor: Capital Impact Partners, Jenee Gaynor (jgaynor@groundedsolutions.org)
Description: Analyses of shared equity homeownership programs funded by a grant from the Social Innovation Fund.
Role: Researcher
- **Financial Coaching Program Evaluation:** 2013-2016, \$648,747
Sponsor: Consumer Financial Protection Bureau, Genevieve Melford (Genevieve.Melford@cfpb.gov)
Description: A randomized controlled trial and peer learning evaluation of financial coaching.
Role: Lead Quantitative Researcher
- **Homewise:** 2013-2014, \$60,000
Sponsor: Homewise, Mike Loftin (mloftin@homewise.org)
Description: Data analysis and report for a homeownership support organization on their approach to encouraging homeownership.
Role: Project Manager
- **LIFT Evaluation:** 2013-2015, \$250,000

Sponsor: NeighborWorks, Barbara Richard, (brichard@nw.org)

Description: An assessment of LIFT, a homeownership support program, on the organizational capacity and visibility of participating local organizations.

Role: Program Manager

▪ **Metropolitan Crime Mapping:** 2013-2015, \$689,507

Sponsor: U.S. Department of Justice, Eric Martin (Eric.D.Martin@usdoj.gov)

Description: Launching projects that integrate data from across jurisdictions, agencies, and sectors using the Washington, DC area as a research setting.

Role: Researcher

Consulting, Teaching, and Other Short-Term Positions

September 2007 –May 2013

Graduate Research Assistant

Michigan State University

East Lansing, MI

Summary of responsibilities: Undertook research as part of the state and local government extension program for governments throughout Michigan, including Saginaw, Flint, and Detroit.

June 2012–August 2012

CSWEP Fellow

Federal Reserve Bank of Cleveland

Cleveland, OH

Summary of responsibilities: Analyzed the effect of vacant building demolitions on crime in Saginaw, Michigan.

May 2010–August 2010

Summer Researcher

Michigan Senate Fiscal Agency

Lansing, MI

Summary of responsibilities: Analyzed the spillover effects of local government bond downgrades and created a new local government fiscal stress indicator system for the state government to use to monitor local governments.

September 2010–December 2010

Teaching Assistant

Michigan State University

East Lansing, MI

Summary of responsibilities: Lectured and administered exams and homework for a course on labor and personnel management in the agri-food system for a professor who was out of the country.

May 2010–August 2010

Microfinance Intern

FINCA International

Quito, Ecuador

Summary of responsibilities: Helped to administer microfinance loans to women's banking groups throughout Ecuador and created analysis tools to monitor the income levels of recipients.

September 2004 –May 2006

Graduate Research Assistant

University of Pittsburgh, Graduate School of Public and International Affairs

Pittsburgh, PA

Summary of responsibilities: Assisted Professors with research on a variety of topics related to international development.

January 2007 –August 2007

Legislative Researcher

Avenue Solutions

Washington, DC

Summary of responsibilities: Researched legislation relating to health care policy, energy, and transit.

PUBLICATIONS

Peer-Reviewed

Stacy, Christina, Brady Meixell, Jacob Lowy, and Rachel Thornton. 2020. "Using Land Policy to Improve Population Health." Forthcoming, *Journal of Urban Health*.

Theodos, Brett, Christina Plerhoples Stacy, Devlin Hanson, Julian Jamison, and Rebecca Daniels. 2020. "Don't Swipe the Small Stuff: A Randomized Evaluation of Rules of Thumb-Based Financial Education." Forthcoming, *Journal of Consumer Affairs*.

Theodos, Brett, Christina Plerhoples Stacy, Breno Braga, Rebecca Daniels. 2019. "Affordable Homeownership: An Evaluation of Shared Equity Programs." *Housing Policy Debate*. 29(6):865-879.

Stacy, Christina Plerhoples, Brady Meixell, and Tanaya Srin. 2019. "Inequality versus Inclusion: How well does city level inequality capture shared prosperity?" *Social Indicators Research*. 145(1):117-156.

Stacy, Christina Plerhoples, Joseph Schilling, Ruth Gourevitch, Jacob Lowy, Brady Meixell, Rachel L. J. Thornton. 2019. "Bridging the Housing and Health Policy Divide: Lessons in Community Development from Memphis and Baltimore." *Housing Policy Debate*. 29(3):403-420.

Theodos, Brett, Christina Plerhoples Stacy, and Rebecca Daniels. 2018. "Client Led Coaching: A Random Assignment Evaluation of the Impacts of Financial Coaching Programs." *Journal of Economic Behavior & Organization*. 155:140-158.

Stacy, Christina Plerhoples, Brett Theodos, and Bing Bai. 2018. "How to prevent mortgage default without skin in the game: Evidence from an integrated homeownership support nonprofit." *Journal of Housing Economics*. 39:17-24.

Stacy, Christina Plerhoples. 2018. "The Effect of Vacant Building Demolitions on Crime under Depopulation." *Journal of Regional Science*. 58(1):100-115.

Stacy, Christina Plerhoples, Helen Ho, and Rolf Pendall. 2017. "Neighborhood Level Economic Activity and Crime." *Journal of Urban Affairs*. 39(2):225-240.

Plerhoples, Christina, and Eric Scorsone. 2011. "Fiscal Stress and Cutback Management amongst State and Local Governments: What have we Learned and what Remains to be Learned?" *Local Government Fiscal Health*. Boston: Jones and Bartlett Publishers.

Scorsone, Eric, and Christina Plerhoples. 2010. "Fiscal Stress and Cutback Management: What have we Learned, and what Remains to be Learned?" *State and Local Government Review*. 42 (2): 176-187.

Project Reports, Policy Briefs, and Other Publications

- Stacy, Christina, Christopher Davis, Benny Docter, Leiha Edmonds, Jorge González, Ananya Hariharan, Brady Meixell, Alex Peffley, Nancy M. Pindus, Prasanna Rajasekaran, Daniel Teles, Brett Theodos, and Mark Treskon. 2020. "Spatial Mismatch and Federally Supported Rental Housing: Do Public Housing and Vouchers Help People Live Closer to Available Jobs?" Urban Institute.
- Stacy, Christina, and Brady Meixell. 2020. "Measuring Inclusion in Small New England Cities." Urban Institute.
- Stacy, Christina, Joseph Schilling, Steve Barlow, Ruth Gourevitch, Brady Meixell, Stephanie Modert, Christina Crutchfield, Esther Sykes-Wood, Richard Urban. 2018. "Strategic Housing Code Enforcement and Public Health." Urban Institute.
- Poethig, Erika, Solomon Greene, Christina Stacy, Tanaya Srini, and Brady Meixell. 2018. "Inclusive Recovery in US Cities." Urban Institute.
- Theodos, Brett, Christina Plerhoples Stacy, and Helen Ho. 2017. "Taking Stock of the Community Development Block Grant." Urban Institute.
- Theodos, Brett, Rob Pitingolo, Sierra Latham, Christina Plerhoples Stacy, Rebecca Daniels, and Breno Braga. 2017. "Affordable Homeownership: An Evaluation of Shared Equity Programs." Urban Institute.
- Stacy, Christina Plerhoples and Mychal Cohen. 2017. "Ban the Box and Racial Discrimination: A Review of the Evidence and Policy Recommendations." Urban Institute.
- Theodos, Brett, Christina Plerhoples Stacy, Margaret Simms, Katya Abazajian, Rebecca Daniels, Devlin Hanson, Amanda Hahnel, Joanna Smith-Ramani. 2016. "An Evaluation of the Impacts of two "Rules of Thumb" for Credit Card Revolvers." Urban Institute.
- Theodos, Brett, Margaret Simms, Mark Treskon, Christina Plerhoples Stacy, Rachel Brash, Dina Emam, Rebecca Daniels, Juan Collazos. 2015. "An Evaluation of the Impacts and Implementation Approaches of Financial Coaching Programs." Urban Institute.
- Stacy, Christina Plerhoples, Brett Theodos, Helen Ho. 2015. "Building a Vibrant Economy in Washington, DC: Challenges and Choices for the New Mayor." Urban Institute.
- Theodos, Brett, Christina Plerhoples Stacy, William Monson. 2015. "A New Model for the Provision of Affordable Homeownership." Urban Institute.
- Plerhoples, Christina. 2013. "Motivations for the Implementation of Municipal Residency Requirements." *Ph.D. Dissertation, Chapter 2.*
- Plerhoples, Christina. 2013. "Municipal Residency Laws and Their Effect on Cities." *Ph.D. Dissertation, Chapter 3.*
- Scorsone, Eric, and Christina Plerhoples. 2011. "A Review of Municipal Bond Issues in Michigan." *MSU State and Local Government Program Working Paper 2011-1.*
- Plerhoples, Christina, and Eric Scorsone. 2010. "An Assessment of Michigan's Local Government Fiscal Indicators System." *Michigan Senate Fiscal Agency Issue Paper.* September.
- Scorsone, Eric, and Christina Plerhoples. 2009. "Municipal and School District Reorganization: Research Findings and Policy Proposals" *MSU State and Local Government Program Working Paper.*
- Scorsone, Eric, and Christina Plerhoples. 2009. "The Brewing Fiscal Crisis in Michigan: Projections for Property Tax Losses." *MSU State and Local Government Program Working Paper.*

Commentaries and Media Mentions

- Christina Stacy, Terry-Ann Craigie, Brady Meixell, Graham MacDonald, Sihan Vivian Zheng, and Christopher Davis. "Too Far From Jobs: Spatial Mismatch and Hourly Workers." <https://www.urban.org/features/too-far-jobs-spatial-mismatch-and-hourly-workers>.
- BBC World Service Business Daily. "Get a job?". https://player.fm/series/business-daily-1301443/get-a-job?fbclid=IwAR1xnQI3nLTPHOqULQ_2y6ZeWCL_yH2wO-HIkVLcer2NdEQIG7iSyO3i9A.
- Poethig, Erika, Solomon Greene, Christina Stacy, Tanaya Srini, and Brady Meixell. "Measuring Inclusion in America's Cities." Urban Institute Interactive Web Feature, April 2018, <https://apps.urban.org/features/inclusion/?topic=map>.
- Srini, Tanaya, Brady Meixell, and Christina Plerhoples Stacy. "What separates the most- and least-inclusive cities in the country?" *Urban Wire*, April 2018, <https://www.urban.org/urban-wire/what-separates-most-and-least-inclusive-cities-country>.
- Stacy, Christina Plerhoples. "Can Housing Policy Help to Reduce Gun Violence?" *How Housing Matters*, March 2018, <https://howhousingmatters.org/articles/can-housing-policy-help-reduce-gun-violence/>.
- Millsap, Adam. "Is America's Housing Too Durable?" *Forbes*, August 2017. <https://www.forbes.com/sites/adammillsap/2017/08/21/is-americas-housing-too-durable/#128fbec62038>
- Rakoczy, Christy. "5 extreme money hacks to help you save money fast." *Mic*, May 2017. <https://mic.com/articles/174717/5-extreme-money-hacks-to-help-you-save-money-fast#.NWING8R7K>.
- Wogan, J.B. "Is it Time to Adopt a Less-Is-More Approach to Community Development Block Grants?" *Governing*, April 2017. <http://www.governing.com/topics/finance/gov-community-development-block-grant-urban-institute.html>.
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- Maurer, Roy. "Ban the Box: Fix it or Start Over?" *Society for Human Resource Management*, March 2017. <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/ban-the-box-fix-it-start-over.aspx>.
- Rankin, Kenrya. "STUDY: Ban the Box Plus Racism Equals Discrimination Against Workers of Color." *Colorlines*, February 2017. <https://www.colorlines.com/articles/study-ban-box-plus-racism-equals-discrimination-against-workers-color>.
- Rodgers Dinstel, Roxie. "Use these two rules of thumb to reduce debt." *Daily News – Miner*, February 2017. http://www.newsminer.com/features/our_town/pinching_pennies/use-these-two-rules-of-thumb-to-reduce-debt/article_f664b97c-fccf-11e6-8b54-03f0bd75db18.html.
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Aaron, Kumasi. "Researchers give tips for paying off holiday debt." *KTTS*, January 2017.
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Vanhulle, Lindsay. "New Research Suggests Ways to Improve Ban-the-Box Employment Policies." *Crain's Detroit Business*, January 2017.
<http://www.crainsdetroit.com/article/20170221/BLOG020/170229965/new-research-suggests-ways-to-improve-ban-the-box-employment-policies>.

Latham, Sandra. "One simple rule that can change bad credit card behavior." *CNN Money*, November 2016. <http://money.cnn.com/2016/11/03/pf/credit-card-habit/>.

"Spend with cash to use money more responsibly." *ABC 15 Arizona*, November 2016.
<http://www.abc15.com/financial-fitness/spend-with-cash-to-use-money-more-responsibly>.

Cetera, Mike. "To Reduce Credit Card Debt, ask for a Nudge" *Bankrate*, September 2016,
<http://www.bankrate.com/game-of-loans/to-reduce-credit-card-debt-ask-for-a-nudge/>.

Stacy, Christina Plerhoples, Rebecca Daniels, and Katya Abazajian. "Rules of Thumb: Can a Simple Message Reduce your Credit Card Balance?" *Urban Wire*, September 2016, <http://www.urban.org/urban-wire/rules-thumb-can-simple-message-reduce-your-credit-card-balance>.

Stacy, Christina Plerhoples. "Banning the Box Might Increase Racial Discrimination." *Urban Wire*, May 2016, <http://www.urban.org/urban-wire/banning-box-might-increase-racial-discrimination>.

Fisher, Harold. "Unequal Business Distribution in D.C." *The Daily Drum*, August 2015,
<http://www.whur.com/podcasts/daily-drum-insight-segment/the-daily-drum-8-5-15-unequal-business-distribution-in-d-c/>.

Stacy, Christina Plerhoples, Brett Theodos, and Carl Hedman. "Gentrification and Business Changes: a lack of data for sound policy." *Urban Wire*, August 2015, <http://www.urban.org/urban-wire/gentrification-and-business-changes-lack-data-sound-policy>.

Stacy, Christina Plerhoples, Brett Theodos, and Carl Hedman. "Inequality in the District: Not just income but businesses too." *Urban Wire*, August 2015, <http://www.urban.org/urban-wire/inequality-district-not-just-income-businesses-too>.

Martin, Carlos, Christina Plerhoples Stacy, and Elizabeth Oo. "Detroit, Toledo, and other drops in the ocean of America's future water woes." *Urban Wire*, August 2014, <http://www.urban.org/urban-wire/detroit-toledo-and-other-drops-ocean-americas-future-water-woes>.

Stacy, Christina Plerhoples. "Detroit's challenges aren't new." *Urban Wire*, July 2013,
<http://www.urban.org/urban-wire/detroits-challenges-arent-new>.

Barrett, Joe. "Get Me Out of Milwaukee" *The Wall Street Journal*, June 2013,
<http://www.wsj.com/articles/SB10001424127887324069104578531372662797886>.

PRESENTATIONS

Academic and Policy Conferences

Stacy, Christina Plerhoples. "Strategic Code Enforcement and Public Health." Putting Care at the Center, 2019. Memphis, TN.

Stacy, Christina Plerhoples. "Spatial Mismatch." JP Morgan Chase Institute Annual Meeting. Washington, DC. 2019.

- Stacy, Christina Plerhoples. "Recommendations for Strategic Housing Code Enforcement in Memphis, TN." Blight Elimination Summit. Memphis, TN. 2018.
- Stacy, Christina Plerhoples. "Measuring Inclusion in US Cities." JP Morgan Chase Institute Annual Meeting. Washington, DC. 2018.
- Stacy, Christina Plerhoples. "Ban the Box and Racial Discrimination." Presentation at the Annual Meeting of the American Society of Criminology. Philadelphia, PA, November 2017.
- Theodos, Brett, Christina Plerhoples Stacy, Devlin Hanson, Julian Jamison, and Rebecca Daniels. "An Evaluation of the Impact of Two "Rules of Thumb" for Credit Card Revolvers." Presentation at the Maryland Financial Education Summit. Columbia, MD, April 2017.
- Theodos, Brett, Christina Plerhoples Stacy, and Rebecca Daniels. "Client Led Coaching: A Random Assignment Evaluation of the Impacts of Financial Coaching Programs" Presentation at APPAM Annual Meeting, Washington, D.C., November 2016.
- Theodos, Brett, Christina Plerhoples Stacy, Devlin Hanson, Julian Jamison, and Rebecca Daniels. "An Evaluation of the Impact of Two "Rules of Thumb" for Credit Card Revolvers." IPA Financial Inclusion Researcher Gathering. Yale University, May 2016.
- Plerhoples Stacy, Christina, Brett Theodos, Bing Bai, William Monson. "Debt, Credit, Income, and Savings: Removing a Barrier to Homeownership." APPAM Annual Meeting, Albuquerque, New Mexico, November 2014.
- Stacy, Christina Plerhoples. "Municipal Residency Laws and Their Effect Cities." Urban Economics Association Annual Meeting, Atlanta, Georgia, November 2013.
- Stacy, Christina Plerhoples. "The Effect of Vacant Building Demolitions on Crime under Depopulation." Urban Economics Association Annual Meeting, Ottawa, Canada, November 2012.
- Stacy, Christina Plerhoples. "The Effect of Vacant Building Demolitions on Crime under Depopulation." Agricultural and Applied Economics Association Annual Meeting, Seattle, Washington, August 2012.
- Stacy, Christina Plerhoples. "The Effect of Vacant Building Demolitions on Crime under Depopulation." Federal Reserve Bank of Cleveland 2012 Policy Summit, Cleveland, Ohio, June 2012.
- Stacy, Christina Plerhoples. "Incorporating Spatial Dependence into Regression Models: An Overview of Recent Developments in Spatial Econometrics." MSU Agricultural, Food, and Resource Economics Seminar, East Lansing, Michigan, October 2011.
- Scorsone, Eric, Nicole Bateson, and Christina Plerhoples Stacy. "Shrinking American Cities: Their History and Legacy." Center for Community Progress Grant Meeting, Washington, D.C. October 2011.
- Stacy, Christina Plerhoples. "The Effect of Home Demolitions on Crime Rates under Depopulation." Midwest Economics Association Annual Meeting, March 2011.
- Stacy, Christina Plerhoples. "The Effect of Vacant Land on Crime and Fire Rates under Depopulation." North American Regional Science Council and Regional Science Association International Conference, November 2010.
- Stacy, Christina Plerhoples. "The Impact of Vacant Land on City Expenditures: A Cost-Benefit Analysis of Land Policy Options." Graduate Research Symposium, Michigan State University, February 2010.

Government Testimonies and Related Presentations

Stacy, Christina Plerhoples, Brett Theodos, and Carl Hedman. "Challenges and Choices for the New Mayor: Building a Vibrant Economy in Washington, D.C." Presentation to local government and community leaders. Mayoral Transition Roundtable. February 2015.

Scorsone, Eric, Nicole Bradshaw, and Christina Plerhoples Stacy. "Barry County Financial Analysis and Forecast Report." Barry County Board of Commissioners Meeting, January 2011.

Invited Lectures and Panels

University of Utah. Guest Lecturer for Master of Public Administration Students. Salt Lake City, UT, 2017.

Society of Government Economists. Panel on CFPB. Washington, D.C., November 2016.

Anacostia Museum. Panel on Neighborhood Change. Washington, D.C., May 2015.

SERVICE

Scholarly Service

Journal of Policy Analysis and Management: Manuscript Review

Journal of Consumer Affairs: Manuscript Review

Demography: Manuscript Review

State and Local Government Review: Manuscript Review

Policy Service

Board Member for the Alexandria Housing Development Corporation, 2019-2020

Member of the Voices for Healthy Kids Policy Research Network, 2019-2020

Member of the Northern Virginia Community Land Trust Task Force, 2019

Member of the Alexandria City Census Complete Count Committee, 2019-2020

United States Peace Corps, Madlenya, Swaziland, 2003-2004

Urban Institute Service

The Community and Economic Development Hub

Washington, DC Research Initiative

Opportunity and Ownership

Real Talk: Race and Inequality

AWARDS, HONORS, AND FELLOWSHIPS

Urban Institute President's Award for Research, Special Recognition, 2019

Fleishman Innovation Fund Recipient, Urban Institute, 2018

Interdisciplinary Research Leaders Fellow, Robert Wood Johnson Foundation, 2016-2018

Urban Institute President's Award for Research, 2017

Fleishman Innovation Fund Recipient, Urban Institute, 2017

Fleishman Innovation Fund Recipient, Urban Institute, 2015

CSWEP Fellow. Federal Reserve Bank of Cleveland, 2012

Glen and Sandy Johnson Dissertation Enhancement Fellow, Michigan State University, 2011

Elton R. Smith Endowment in Food and Agricultural Policy Award, Michigan State University, 2010

SKILL TAGS

Research Design: Quantitative Data Analysis

Program Evaluation: Experimental (RCT) design

Program Evaluation: Quasi-experimental design

Quantitative Data Software: Stata

Statistical Modeling: Panel data: Fixed effects, random effects

LANGUAGES

Spanish (Fluency Level: Basic)

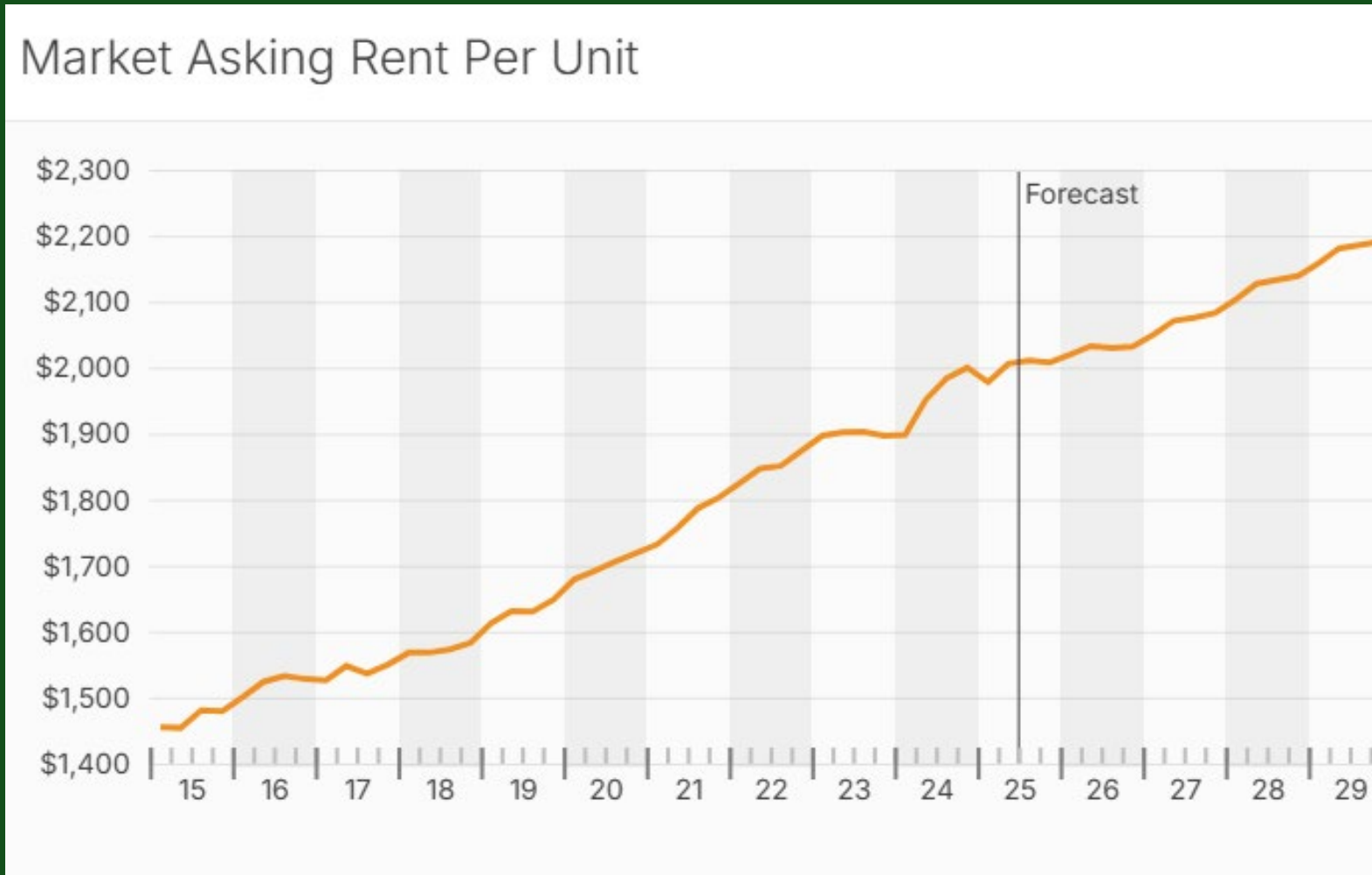
SiSwati (Fluency Level: Basic)

Multi-family Rental Data, Trends and Projections for the City of Greenbelt

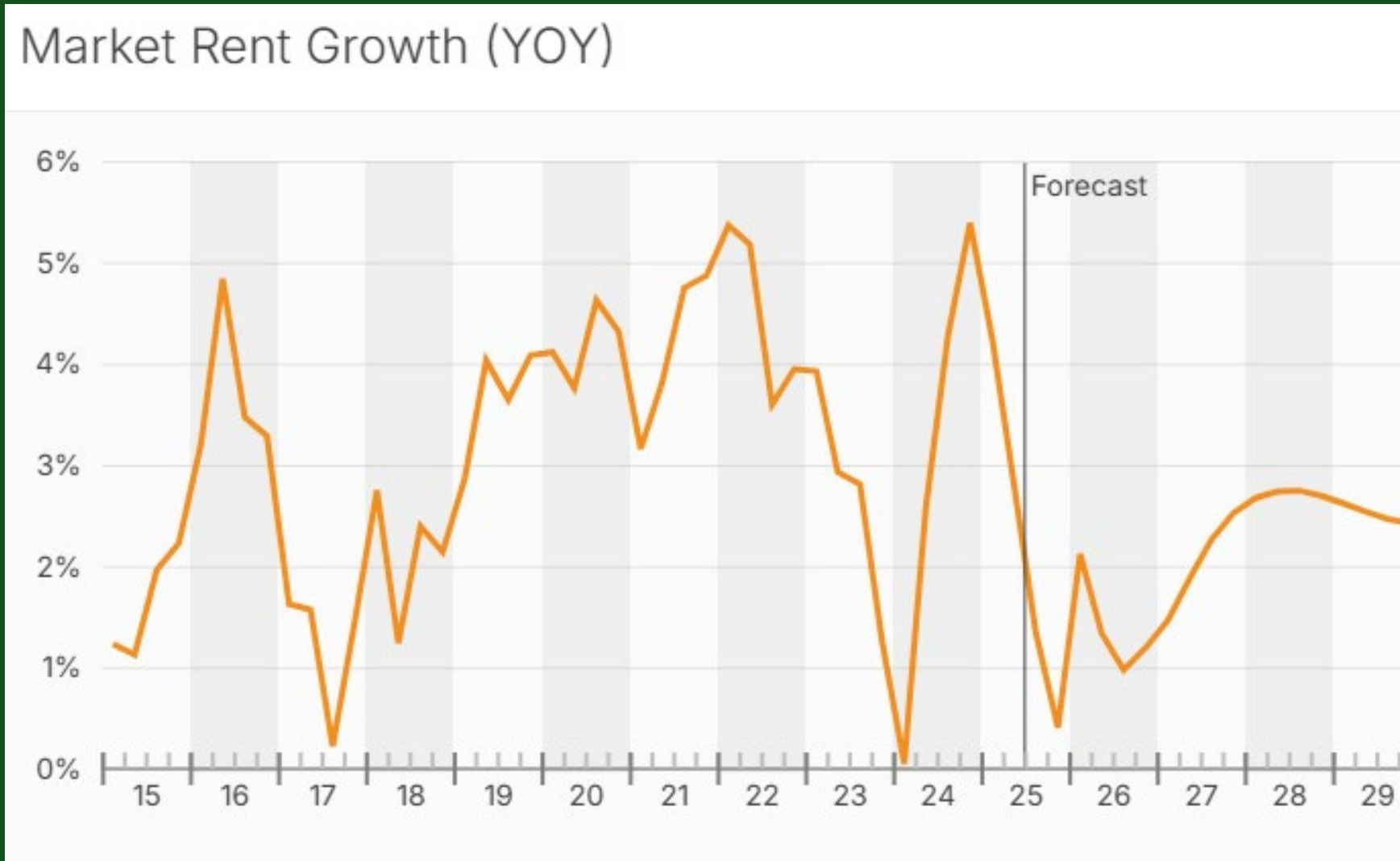
As Sourced from CoStar

Zihan Chen, Sept 2025

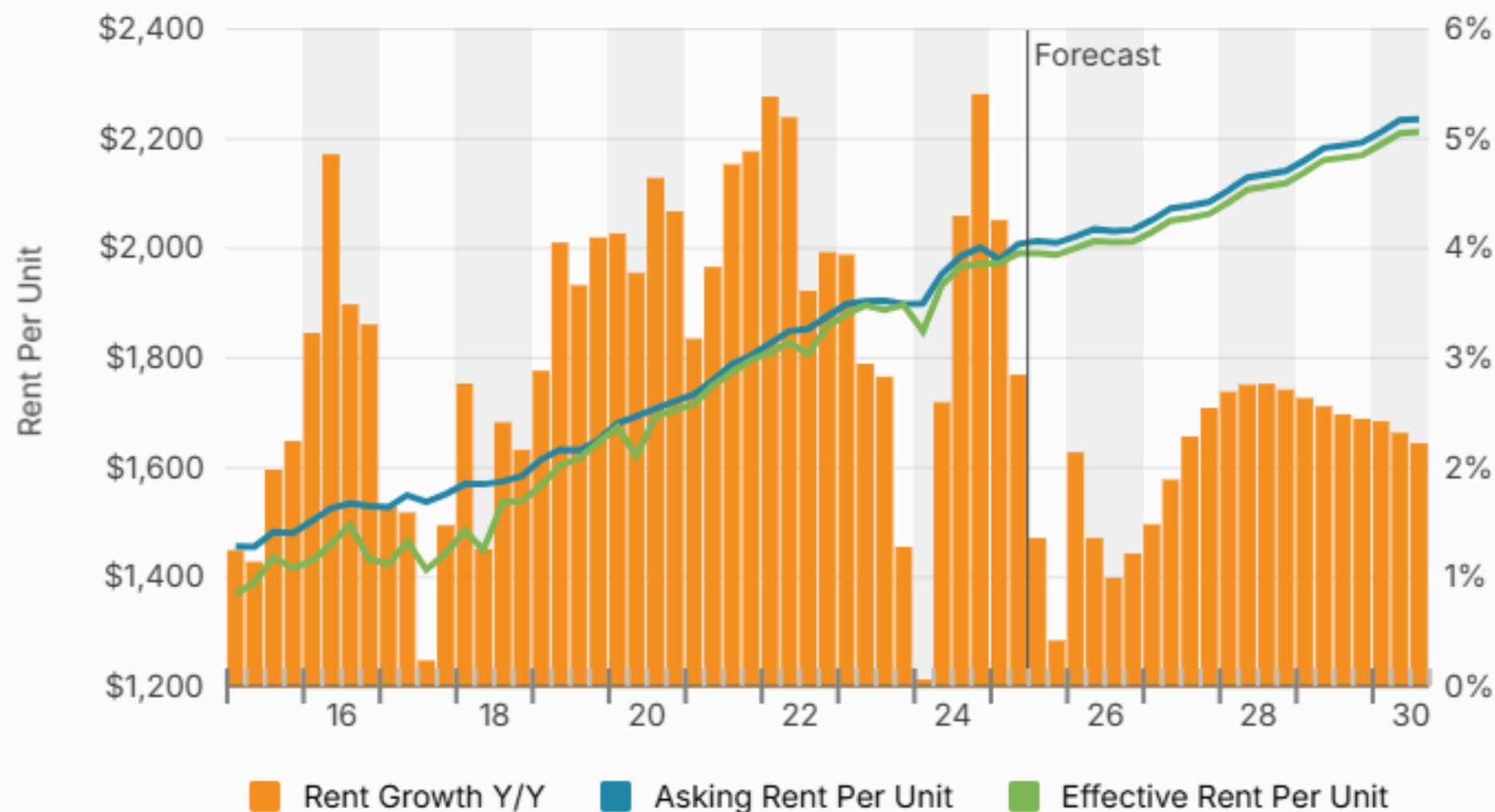
Current Asking Rent Per Unit: \$2,006



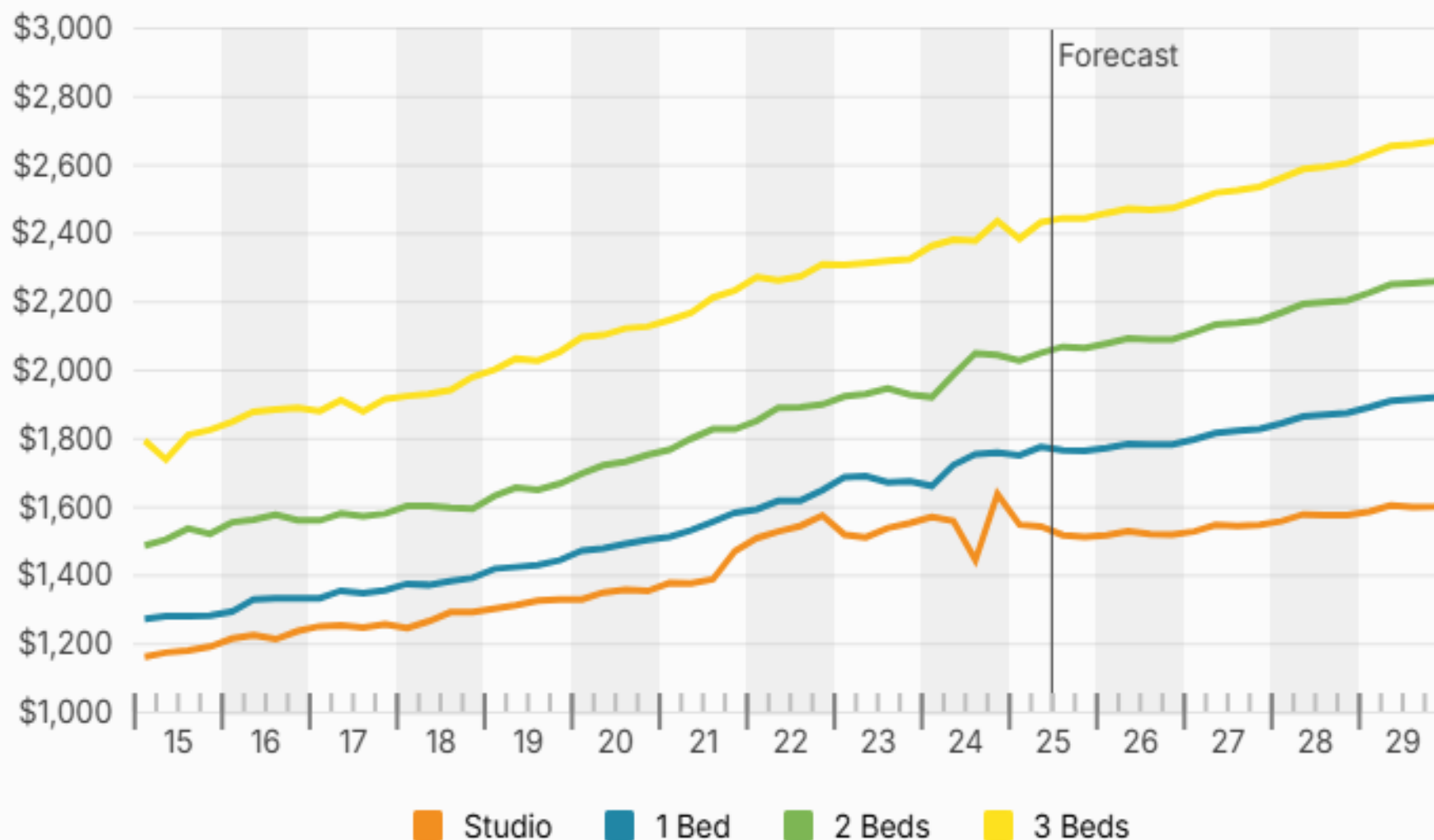
Current Year-to-year Rent Growth: 2.8%



Market Rent Per Unit & Rent Growth



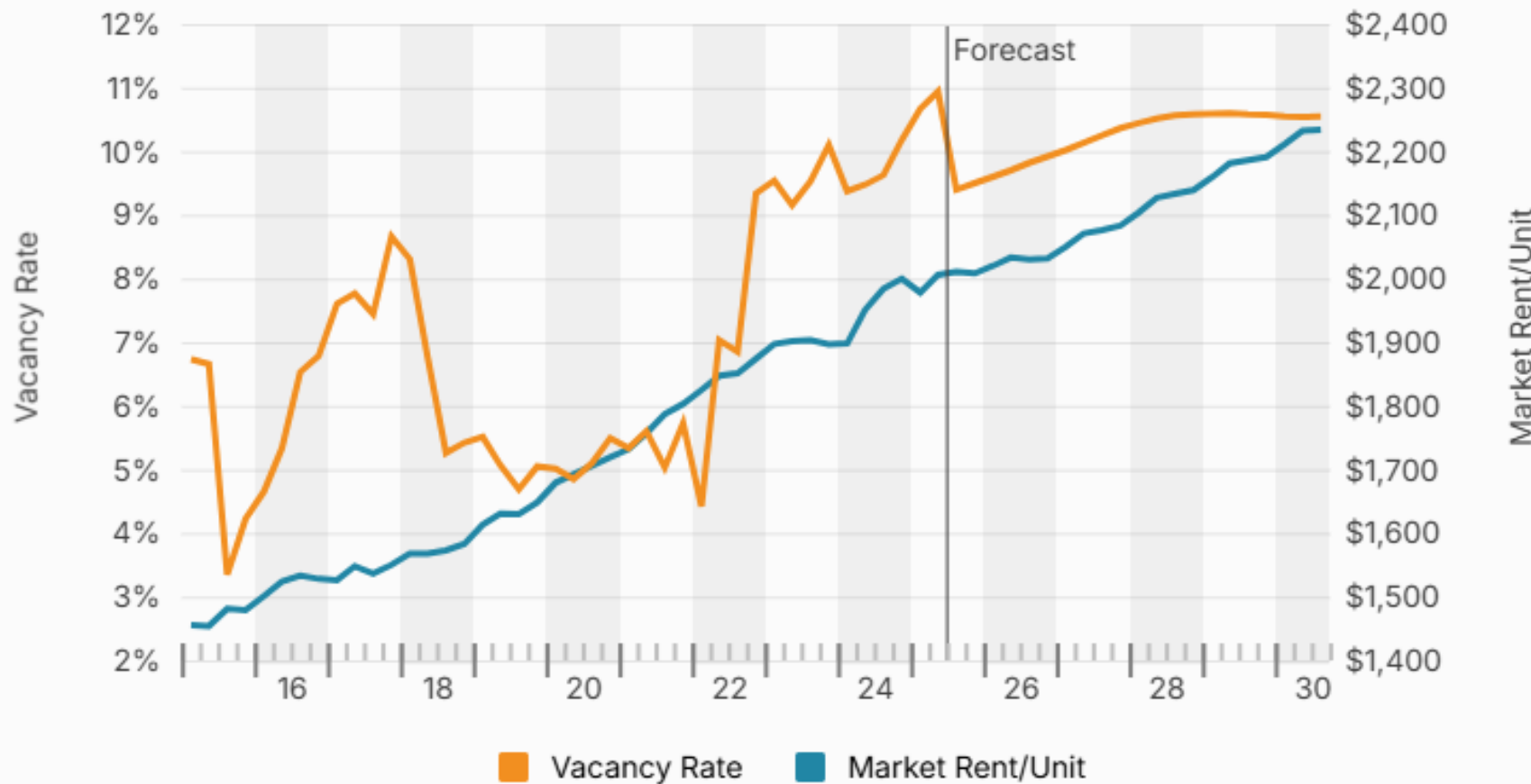
Market Asking Rent Per Unit By Bedroom



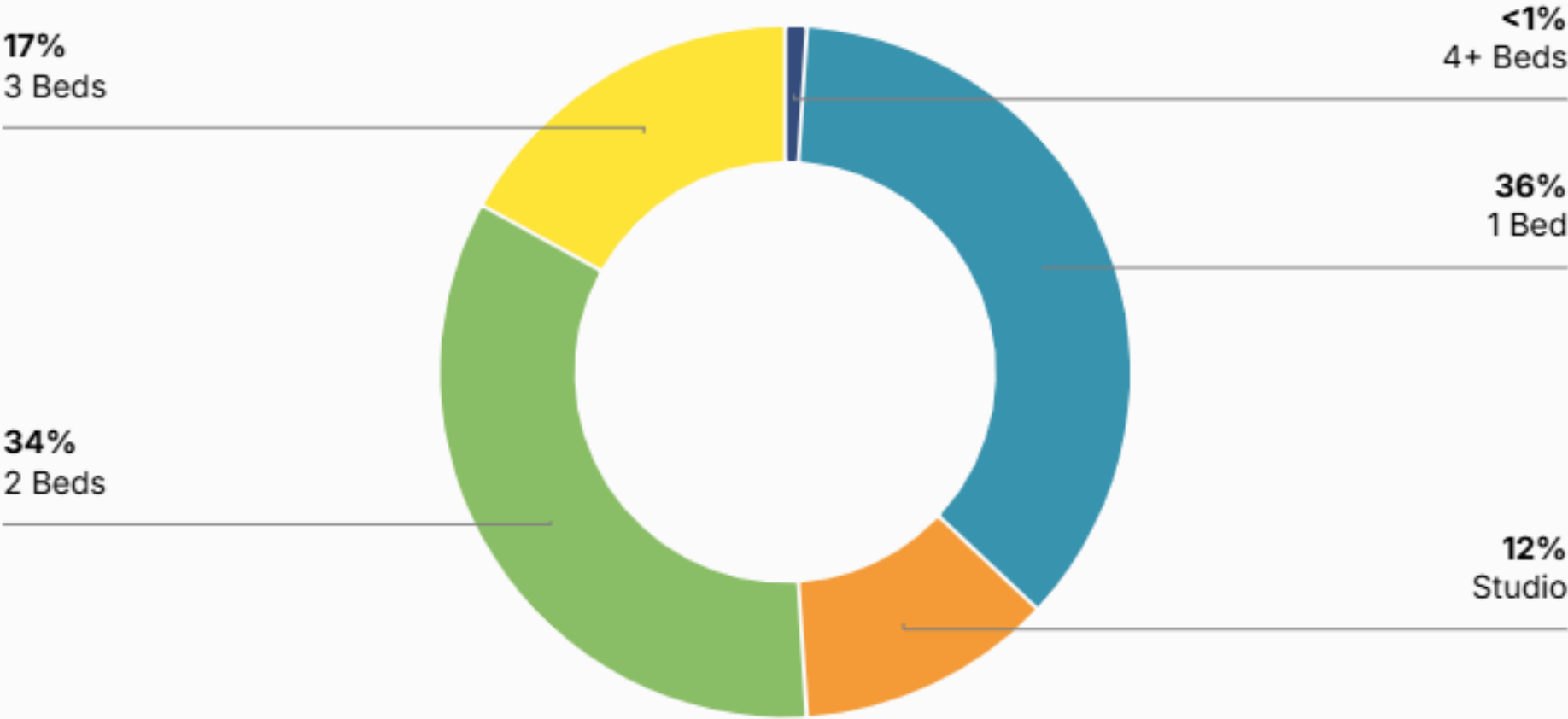
Studio: \$1,541
1 bedroom: \$1,773
2 bedroom: \$2,048
3 bedroom: \$2,430

Current Vacancy Rate: 10.94%

Vacancy & Market Asking Rent Per Unit



Total Units By Bedroom



Hyattsville Rent Stabilization Study

Analysis, Key Considerations, and Recommendations for Hyattsville City
Council

Submitted by Enterprise Advisors
September 2023



Executive Summary

In 2021, the City of Hyattsville adopted its first Housing Action Agenda, a 10-year plan to address the city's most pressing housing needs. The plan included a commitment to create four new tools – a dedicated local funding source for housing, development of public land, expansion of tenant rights, and creation of rent regulations. In 2022, leadership began exploring what a rent stabilization policy could look and in April of 2023, via HCC-324-FY23, City Council authorized the City Attorney to prepare a rent stabilization ordinance in line with their recommended policy framework. Soon after, the City engaged Enterprise Community Partners to conduct a study on the proposal and provide recommendations to strengthen the policy.

Across the DC metropolitan region and beyond, jurisdictions are adopting locally tailored policies as part of their housing affordability, stability, and equity toolboxes. Several counties, including Prince George's County, have adopted temporary anti-gauging policies while contemplating more nuanced long-term solutions. It is in this context that the Enterprise team produced this report.

As the name of the policy implies, rent stabilization policies are designed to support a more stable housing market. They are not intended to solve a jurisdiction's housing affordability challenges; rather, they are developed to regulate rental increases over time and to prevent significant increases for tenants. Rent stabilization policies, while locally tailored, include five core components:

- Included and exempted rental units – the units that are and are not covered under a rent stabilization policy
- Allowable rent increases – the relative or absolute amount landlords can increase rent
- Exceptions – scenarios in which landlords are able to request permission to charge more rent than what is typically allowed
- Decontrol – routes through which otherwise non-exempted units become fully or partially deregulated
- Related tenant protections – laws that protect tenants from harassment and ensure that tenants have a safe, clean place to live¹

The Hyattsville City Council's proposal outlined in HCC-324-FY23 includes four of these five components, as well as stipulations for staffing and compliance. In analyzing this proposal, the Enterprise team examined the city's rental housing stock, analyzed recent rent trends, conducted interviews and focus groups with relevant stakeholders, studied other policies in the region, and researched how comparably sized jurisdictions approach administration and enforcement. Ultimately, the Enterprise team recommends that the City of Hyattsville consider the following:

Policy Component	City Council Proposal	Recommendations
Exempted rental units	• Properties less than 15 years old • Short-term leasing agreements (up to 120 days) • Buildings with two or fewer units • Owner-occupied where the tenants share a kitchen or bathrooms with the owner	• Properties less than 15 years old • Short-term leasing agreements (up to 120 days) • Properties with four or fewer units • Accessory apartments and dwelling units • Owner-occupied where the tenants share a kitchen

¹ Ashford Grooms, M. (n.d.). *Rent Control: Key Policy Components and Their Equity Implications*. <https://www.urban.org/sites/default/files/publication/104630/rent-control-key-policy-components-and-their-equity-implications.pdf>

	• Accessory apartments and dwelling units • Federally subsidized rental units	or bathrooms with the owner • All subsidized/regulated affordable units (federal, state, county, local)
Allowable rent increases	• Constant: CPI-U • Escalator: none • Cap: none	• Constant: CPI-U • Escalator: 3% • Cap: 6%
Exceptions	• Fair return petitions	• Fair return petitions • Capital improvements
Decontrol	• Rent banking, applied at the end of a tenancy	• Rent banking, applied at the end of a tenancy
Related Tenant Protections	• None	• Rent Adjustment Petitions • Tenant Right to Counsel • Tenant Opportunity to Purchase

To effectively administer a proactive compliance approach where the City would actively track tenants' rent (as opposed to relying on tenant complaints alone), coordination across City functions (i.e., Permits & Licensing, City Planning, Code Enforcement, Information Technology, Public Information/Communications), will be essential. The City should also develop administrative and technological systems; while costly, they will optimize staff time and resources, increase effectiveness of the policy, and allow the City to have a clear understanding of the impact of the policy over time.

In centering the policy goal of promoting housing stability for renters, the Enterprise team recommends that the City of Hyattsville consider its regional policy context, local housing stock, market and affordability trends, and administrative capacity before making a decision on legislating and enacting a rent stabilization policy.

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Acknowledgments

The Hyattsville Rent Stabilization Study was prepared by Enterprise Advisors, the mission-based consultancy of Enterprise Community Partners. The Enterprise team would like to thank everyone that contributed to the development of this report.

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Rental Property Owners and Managers

Housing Developers

Introduction

The City of Hyattsville adopted a 10-year Housing Action Agenda that laid out a roadmap of policies, programs, and actions intended to support the preservation and creation of affordable housing opportunities in the city of Hyattsville. The action plan identified four priorities, one of which was the creation of a rent stabilization policy. As a result, Hyattsville City Council passed an action item (HCC-324-FY23) authorizing the City Attorney to prepare an ordinance regulating the annual rate of increase in rental prices. Soon after, the City contracted with Enterprise Community Partners to conduct a technical analysis on the proposed rent stabilization language. The Enterprise team is led by Enterprise Advisors' Equitable Housing Solutions practice with support from the Mid-Atlantic market office.

This study provides Hyattsville City Council with a review of the policy language proposed and recommends adjustments to the language based on stakeholder engagement and research on best practices across the nation. The Enterprise team acknowledges the importance and timeliness of enacting a rent stabilization policy due to the anticipated expiration of Prince George's County Rent Stabilization Act of 2023. It will be necessary for the City of Hyattsville to consider how a local policy will fit into a long-term county rent stabilization ordinance and the steps that local policymakers can take to protect residents.

What is Rent Stabilization?

Rent stabilization policies limit rent increases and are designed to foster housing stability by preventing rent gouging and keeping regulated units below market rate. Although rent stabilization can establish cost predictability, it is not primarily a housing affordability tool. Enacting a policy can slow the increase of rents and create affordability over time in comparison to an unregulated market. However, rent stabilization should be considered as one tool in a jurisdiction's comprehensive approach and should not be the sole method for supporting housing affordability; rather, it should be designed to complement policies and programs that more directly make rents affordable for households with low and moderate incomes.

The nuances of a rent stabilization policy vary by jurisdiction and should be shaped in a way that is considerate of local conditions and goals. Despite the uniqueness of each policy across the nation, they typically include the following components:

- Included and exempted rental units – the units that are and are not covered under a rent stabilization policy
- Allowable rent increases – the relative or absolute amount landlords can increase rent
- Exceptions – scenarios in which landlords are able to request permission to charge more rent than what is typically allowed
- Decontrol – routes through which otherwise non-exempted units become fully or partially deregulated.²
- Related tenant protections – laws that protect tenants from harassment and ensure that tenants have a safe, clean place to live

While these components may be thought about independently, policymakers should consider how they are interrelated and collectively impact outcomes for Hyattsville residents and property owners. It is essential to understand how they all work together; these policy components can balance each other out to stabilize rental rates or, conversely, to perpetuate housing instability. For example, providing a high percentage cap on the maximum allowable rent, while allowing for unregulated vacancy decontrol may lead to unintended consequences, including greater unit turnover and rent rates being raised quickly over time. However, placing

² Ashford Grooms, M. (n.d.). *Rent Control: Key Policy Components and Their Equity Implications*. <https://www.urban.org/sites/default/files/publication/104630/rent-control-key-policy-components-and-their-equity-implications.pdf>

strict increases on the maximum allowable rent while allowing limited exemptions for new units or exceptions for hardship may ultimately result in a loss of rental units.

Included and Exempted Rental Units

Rent regulations are not typically applied to all rental units within a jurisdiction. Properties may be exempted based on a building's age, unit count, and in some cases, the type of ownership. Some jurisdictions have developed more nuanced carve outs to address local challenges and concerns.

Allowable Rent Increases

The maximum allowable annual rent increase (MAARI) is the maximum amount that a landlord can increase the rent for each tenant in a 12-month period. It is an essential component to a rent stabilization program. The MAARI differs by jurisdiction and can be determined by many measures. MAARI have three important components: a constant pegged to the cost of living, an "escalator" to account for landlord labor and other costs beyond strict inflation, and a cap that makes set rent increases more predictable for tenants. The relative escalator and cap are subject to evaluation and adjustment. Considering varying conditions, such as inflation, the City must decide for what represents a reasonable total rent increase that can serve both tenants and landlords.

Many jurisdictions use the Consumer Price Index (CPI) to set their MAARI. The most notable measure of consumer inflation in the United States, the CPI is a commonly used adjustment because it measures the average change in price of consumer goods and services over time.

Hyattsville has proposed the use of the CPI for All Urban Consumers (CPI-U) from November of each year rounded to the nearest whole number as their maximum allowable rent. Some jurisdictions, like Takoma Park, set the allowable increase at the full amount of the CPI, while D.C. allows CPI with an additional 2%.

The CPI is also calculated for specific regions and there is some variance in which index a jurisdiction uses. For example, Takoma Park utilizes the CPI-U for the D.C., Maryland, Virginia, West Virginia region to calculate their increases, but Washington, D.C. uses the CPI for Urban Wage Earners and Clerical Workers (CPI-W) in the region. The CPI-W is based on a portion of the CPI-U population that have clerical or wage occupations and were employed for at least 37 weeks during the previous 12-month period. Because this population is a subset of the CPI-U, there may be slight differences in the two indexes over short periods of time, but the long-term movements of the indexes are similar.³ In Takoma Park, rent increases are based on the full amount of increase in the CPI from March in the preceding year to March in the current year, while in Washington, D.C., the rent for stabilized units can increase by CPI-W + 2%, but can be no greater than a 10% increase in a 12-month period.

Alternatively, other municipalities use a set percentage to cap rents each year (e.g., Fairview, New Jersey).

Exceptions for Landlords

For properties that are included under rent stabilization policies, jurisdictions have carved out select exceptions that allow property managers to increase their rent above the allowable rate. For compliance purposes, these exceptions most often must be requested by the landlord and approved by the administering entity.

Right to Fair Return

One type of exception is based on a landlord's right to fair return. Jurisdictions consider different measures in assessing fair returns. In Washington, D.C., for example, landlords are allowed to raise rents enough to earn a 12% rate of return on their investment on the property through a hardship petition. To apply for this increase, the

³ *Frequently Asked Questions—United States Department of Labor*. (n.d.). <https://webapps.dol.gov/dolfaq/go-dol-faq.asp?faqid=98&theagencyid=BLS&faqtop=Agencies+%26+Offices>

landlord must document operating expenses for the 12 months preceding the filing of the hardship petition. The District's Rental Accommodations Division performs an audit of the hardship petition and supporting documents.⁴

Capital or Service Improvements

Other jurisdictions have also created capital improvement/maintenance cost pass-through policies. Under these policies, landlords are able to apply for exceptions to exceed the MAARI to cover the cost of reasonable improvements to the property. To receive an exception, a landlord would submit documentation on the cost of the capital improvements and propose a plan of how the costs would be spread across tenants over a defined period via a monthly increase. When crafted effectively, these clauses address concerns from property managers that a rent stabilization ordinance will make property improvements unaffordable and that living conditions for renters will suffer. It is critical that the City clearly define via regulations what is eligible under this clause to avoid landlords seeking exceptions for routine improvements (i.e., painting, replacing carpet, etc.). Some jurisdictions, including Washington, D.C., place caps on the rent increase allowed under this exception. Similarly, jurisdictions offer an exception to landlords if costs relating to services/facilities provided to tenants must be increased. Enacted to avoid constitutional takings issues, disincentivize landlords from pursuing routes to vacancy decontrol, and "to ensure landlords have sufficient cash flow, nearly every jurisdiction has some form of "reasonable" return or guarantees to landlords."

Substantial Renovations

Some jurisdictions have specific exemptions in place for property owners who substantially renovate or rehabilitate a property. Substantial renovations are permanent enhancements that equate to or exceed a certain significant percentage of a property's assessed value. Such policies, including Montgomery County's, often provide for a fifteen-year exception recognizing that major financing is most often needed to make substantial renovations.

Voluntary Agreements

Some jurisdictions also allow landlords to propose a rent increase that exceeds what otherwise is allowed to the tenants. If a certain percentage of tenants agree through an official process, the administering agency can approve an exception. These agreements often include conditions for the landlords, including that certain improvements/repairs be made or additional services be required.

⁴ Rent control fact sheet, Washington, D.C. Department of Housing and Community Development.
https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/service_content/attachments/Rent%20Control%20Fact%20Sheet%202018.pdf

Decontrol

There are several ways that jurisdictions allow units to become permanently exempted from their rent stabilization policies. On the most restrictive end of the spectrum, cities like San Jose, CA only allow property owners to remove their rental properties from rent stabilization programs through demolition. If the City of Hyattsville models its policies to exclude newly constructed units, it may consider this exemption.

Other places allow for the conversion of rental units to condominiums or cooperative housing models. To foster housing stability in these situations, cities like Cambridge, MA require that property owners submit applications to convert rental units to condominiums three years ahead of conversion, so tenants have adequate time to find housing.

On the least restrictive side, some jurisdictions allow for vacancy decontrol when units become vacant and/or are sold to a new owner. Such policies have the potential to encourage tenant turnover (via evictions or intentional tenant selection), which contradicts the objectives of Hyattsville's goals, and can lead to a reduction in stabilized units.

Another form of unit decontrol can be implemented through rent banking, which is a provision that allows landlords to not utilize their allotted increase in some years in order to bank them and use several stored increases in one year.⁵ Some jurisdictions allow for landlords to utilize stored increases during a tenant's occupancy, but it is common for policies to allow landlords to apply banked rent increases only after a tenancy ends.

Alternatively, some cities allow for partial vacancy decontrol actions that may or may not require special approvals. For example, some jurisdictions allow for a "vacancy bonus," where landlords are permitted to increase rent rates beyond the standard codified cap, but still within another regulated rate if a unit becomes vacant.

Related Tenant Protections

Rent stabilization policies are often coupled with additional protections for tenants. Many of these additions protect tenants against eviction; harassment; and ensure that tenants have a safe, clean place to live. These additional policies can be important in ensuring security for vulnerable populations and bolstering a rent stabilization policy. As stated in the Hyattsville Housing Action Agenda, expanding tenant protections in Hyattsville will require legislative changes that create local policies to expand tenants' rights beyond the current rights afforded by the State of Maryland's and Prince George's County's tenant-landlord codes. In addition, it will require a more active role in promoting education and outreach to tenants about these rights.⁶

Just Cause Eviction

The most common protection for tenants is just-cause eviction, which allows a landlord to evict a tenant under certain defined conditions such as nonpayment of rent or damage to the rental unit. There is currently no policy at the state level, but cities such as Baltimore have taken measures to pass their own just-cause policies to protect residents.⁷ Another way to bolster housing stability and education on tenant protections is through minimum and fair leases. Introduced in the Housing Action Agenda, they create standard lease requirements, such as lease renewal terms (i.e., extended lease terms or notice provisions for lease terminations); inclusion of information about tenant protections as part of lease agreements; and lease materials in various languages.

Right to Habitability & Rent Adjustment Petitions

Under Maryland state law, landlords are legally obligated to keep their property safe and maintain basic utilities. This includes complying with building codes, maintaining common areas in properties, and performing repairs in a

⁵ Goetz, E. G., Damiano, A., Brown, P. H., Alcorn, P., & Matson, J. (n.d.). *MINNEAPOLIS RENT STABILIZATION STUDY*.

⁶ Hyattsville Housing Action Agenda. (2021). <https://www.hyattsville.org/DocumentCenter/View/5844/Hyattsville-Housing-Action-Plan---Full-Documnet>

⁷ As the policy was adopted recently, no reporting or evaluation of it has been made available as of the writing of this report.

timely manner.⁸ Tenant's whose landlord fails to maintain this have a few options for recourse. One option is to withhold rent or place it in an escrow account or refuse to pay rent and raise the concern in court. Another option that cities can implement is enabling tenants to file rent adjustment petitions to ask for the change in the maximum amount of rent that can be charged due to failure to provide adequate service or comply with the warranty of habitability.

Tenant Right to Counsel

Tenant right to counsel policies, which are enacted and funded by state, county and local governments, guarantee free legal representation to eligible tenants facing eviction.⁹ This can be a critical policy tool for ensuring tenants are protected. Around 97% of tenant facing eviction lack representation because cases are typically held in civil court, where defendants are not provided with free access to an attorney. Because of this, many tenants lose eviction cases, are forced to accept deals they can't afford, or self-evict to avoid going to court altogether.¹⁰ So far at least 15 cities and four states, including the state of Maryland, currently have right to counsel policies.¹¹ The policies differ by jurisdiction with some providing free counsel to all renters, while others prioritize resources to renters who meet certain financial eligibility requirements.

Tenant Opportunity to Purchase Act

Tenant Opportunity to Purchase (TOPA) policies give tenants the opportunity to collectively purchase the property they rent if the landlord decides to sell.¹² The policy typically requires landlords to provide an "intent to sell" notice to their tenants, along with a timeframe to express interest in purchasing and secure a financing mechanism.¹³ This has been a mechanism used regionally and nationally to preserve affordable housing, prevent displacement, and provide pathways to homeownership. Washington, D.C., and Montgomery are two examples of regional jurisdictions that have TOPA policies in place.

An alternative to TOPA is the Community Opportunity to Purchase Act (COPA), which allows nonprofits to make a first offer to purchase a building with low-income tenants if the property owner decides to sell. This has been seen as a way to preserve the affordability of units for low-income tenants who are unable to secure financing to make an offer on a rental building that is up for sale.

Methodology

For this rent stabilization study, the Enterprise team conducted stakeholder engagement, reviewed the City's proposed framework outlined, analyzed regional policy practices, and explored studies conducted on other rent stabilization policies. The Enterprise team also analyzed the rental housing stock using data provided by the City and rental trends.

Stakeholder Engagement

The Enterprise team spoke with a range of stakeholders that would be impacted by a rent stabilization policy in Hyattsville. These interviews provided nuanced understanding of tenant experiences, market conditions, development realities, and perceived challenges of a rent stabilization policy. Between July and August 2023, the

⁸ MD. Real Property Code Ann. § 8-211 (2021)

⁹CityHealth (2022). Addressing America's Housing Crisis. <https://www.cityhealth.org/wp-content/uploads/2022/08/CityHealth-Report-Addressing-Americas-Housing-Crisis.pdf>

¹⁰ King, S. R. (2022, November 15). Tenant Protections 101. Shelterforce. <https://shelterforce.org/2022/11/15/tenant-protections-101/>

¹¹ Tenant Right to Counsel. (n.d.). http://civilrighttocounsel.org/highlighted_work/organizing_around_right_to_counsel

¹² Gilgoff, J. (2020, July 24). *Giving Tenants the First Opportunity to Purchase Their Homes*. Shelterforce. <https://shelterforce.org/2020/07/24/giving-tenants-the-first-opportunity-to-purchase-their-homes/>

¹³ Tenant / Community Opportunity to Purchase | PolicyLink. (n.d.). <https://www.policylink.org/resources-tools/tools/all-in-cities/housing-anti-displacement/topa-copa>

Enterprise team facilitated 14 interviews and 4 focus groups with tenants and other members of the Hyattsville housing ecosystem.

TABLE 1: SUMMARY OF STAKEHOLDERS ENGAGED THROUGH STUDY

Stakeholder Group	Number of Representatives
Multifamily housing tenant association	10
Tenant advocates	2
Nonprofit housing developer	2
Multifamily property owners & managers	5
Market-rate developers	2
City of Hyattsville elected leaders	4
City of Hyattsville staff	7
City of Takoma Park staff	1
Total	33

Several key themes were identified over the course of the stakeholder engagement process. Those themes include:

- Tenants, property owners, landlords, and developers share a desire for stability.
- Currently, there is strong political will to pass a rent stabilization policy. Mayor and City Council members are confident that this is the right policy for the city and the right time to pass it.
- Property owners hold a range of opinions on rent stabilization and how it could be enacted in Hyattsville. While most property owners and developers expressed opposition to rent stabilization, others expressed openness to rent stabilization but advocated for a variety of avenues to recapture lost revenue potential.
- Landlords expressed concern about creating an overly burdensome process that inadvertently punishes good-faith landlords who do not regularly increase rent by significant amounts.

The feedback received was taken into consideration along with the policy review to inform the recommendations. For a more detailed summary of stakeholder engagement efforts, please see Appendix A: Stakeholder Engagement Summary

Policy Review

The Enterprise team reviewed the rent stabilization policy framework proposed by the Hyattsville City Council in HCC-324-FY23. To understand the regional policy context, the team also examined approaches that other jurisdictions (i.e., Washington, D.C.; Takoma Park; and Montgomery County) have enacted. Furthermore, to understand the unique challenges that smaller jurisdictions face in enacting, administering, and enforcing rent stabilization policies, the Enterprise team researched the policies and practices of smaller jurisdictions (i.e., Eatontown, New Jersey; Fairview, New Jersey; and West Hollywood, California).

Data Analysis

The Enterprise team received and analyzed data from the City of Hyattsville's Department of Community and Economic Development that included multifamily rental properties with three or more units, single-family rental properties, and a list of residential properties slated for development. The data analysis consisted of cross-referencing the list of developments with the National Housing Preservation Database to get an accurate count of properties that receive a federal subsidy.

Additionally, to calculate the hypothetical increases in rent from 2016 to 2021, the Enterprise team used the Bureau of Labor Statistics to gather percent changes in the Consumer Price Index and the American Community Survey Data to get the median rent for all units in Hyattsville from 2016-2021.

Regional Context

In analyzing HCC-324-FY23 and considering recommendations, the Enterprise team considered the regional policy context as housing markets transcend city limits. Using the four-component policy framework, a comparison of several policies is outlined in Table 2.

TABLE 2: RENT STABILIZATION POLICIES IN THE REGION

	Takoma Park ¹⁴	Washington, D.C. ¹⁵	Montgomery County ¹⁶
Adoption year	1981	1985	2023
Exempted Rental Units	• Single family houses • Accessory apartments • Duplexes when one of the units is occupied by the owners as their primary residence. • Landlords who provide affordable housing through governmental contracts • Newly constructed units under 5 years old	• Federally or District subsidized units • Properties built after 1975 • Properties owned by person (not a corporation) who owns no more than four rental units in the District; vacant when the act took effect.	• 23-year new construction exemption • Properties owned by a person (not a corporation) who owns no more than four rental units in the county
Allowable rent increases	• CPI-U	• CPI-W + 2%, but not more than 10% • For tenants that are elderly or disabled, the max is the CPI% only and no more than 5%	• CPI-U +3%, but not more than 6%
Exceptions	• Fair return	• Fair return¹⁷ • Capital improvement petition • Substantial renovation • 70% tenant voluntary agreement • Petition based on increase of services and facilities	• Fair return • Capital improvements • Substantial renovation
Decontrol	Banking of rent increases and applying them to new leases	Vacancy increases	Banking of rent increases up to 10% and applying them to new leases
Related tenant protections	• Protection against retaliatory actions¹⁸ • Right to Counsel • TOPA	• Protection against retaliatory actions • Right to organize tenants' association • TOPA	• Protection against retaliatory actions • Right to Counsel

¹⁴ City of Takoma Park, MD Municipal Code § 6.20

¹⁵ Washington, D.C. Official Code § 42-3501.01

¹⁶ Pagnucco, A. (2023, July 18). Rent Control Votes. *Montgomery Perspective*.
<https://montgomeryperspective.com/2023/07/18/rent-control-votes/>

¹⁷ Washington, D.C. Rent Control Fact Sheet

<https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/RentControlFactSheet.pdf>

¹⁸ 8 Code of Maryland § 8-208.1

	• Commission on Landlord-Tenant Affairs		
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The Montgomery County council passed permanent rent stabilization legislation in July following months of deliberation and changes to reconcile multiple elements across two separate bills. The ordinance, detailed in Table 2, sets annual rent increases at CPI-U +3% with a cap at 6%; the proposed rent increase formulas from the original bills featured one with an absolute cap at 3% and the other limiting increases to CPI +8%.

It should also be noted that Prince George's County has a temporary rent stabilization policy in place and is in early phases of developing a long-term rent stabilization policy.¹⁹ The current temporary measure has the following elements:

- Maximum rent increase: 3%
- Exemptions:
 - Units that received an initial use and occupancy permits less than five years before the effective date of the policy
 - Units that are "governed by a Federal, State or County agreement that subsidizes the tenant's rent and that agreement remain in effect during the tenure of (the rent stabilization policy); property managers must apply for this exemption and receive County approval

As a one-year policy, it does not include any exceptions, decontrol options, or related tenant protections. As of the writing of this report, the temporary measure is set to expire on April 16, 2024. A FAQ document on CB-007-2023 notes that "(t)he legislation applies County wide, including within the municipalities. The municipalities, including Laurel, Takoma Park and the City of Mount Rainier, may be more restrictive but not less restrictive than the legislation."²⁰

As the city of Hyattsville considers its own approaches to rent stabilization, several issues will be important to consider, including the jurisdictions adoption and implementation timelines, any parallels or distinctions between municipal and county policy, and necessary education to ensure stakeholders understand which elements of either policy may apply to them.

Market Context

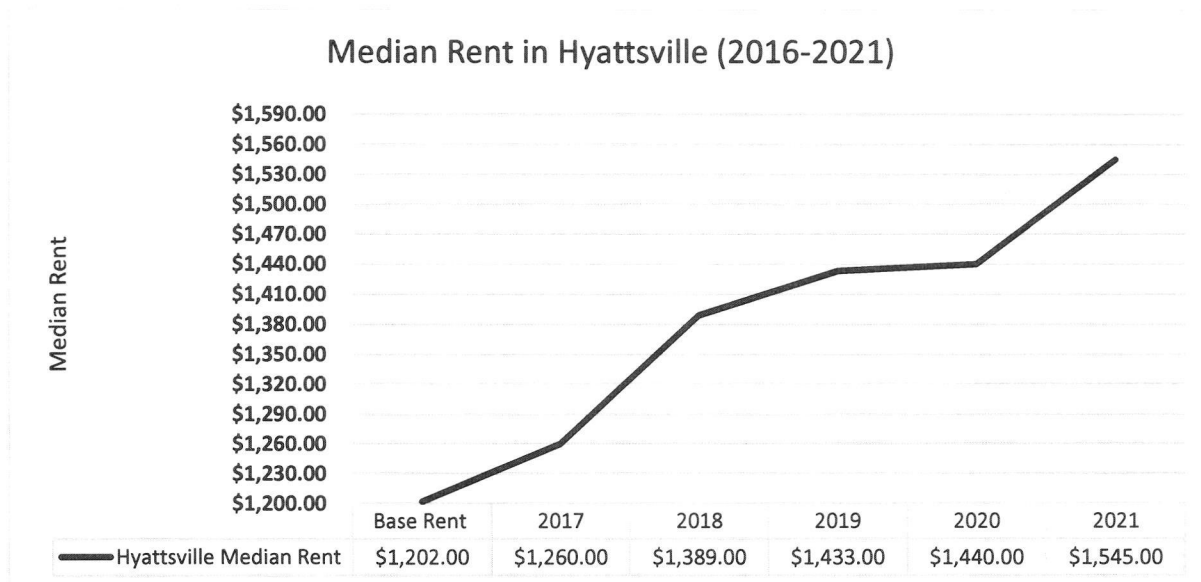
The City of Hyattsville is responding to a trend of rising rents. As illustrated in Figure 1, rents have increased over time, though not at a steady rate.

¹⁹ Disclaimer: The authors of this report are facilitating the Prince George's County Rent Stabilization Working Group and will be providing recommendations on a policy framework to County leadership.

²⁰ Prince George's County. FAQs for CB-007-2023.

<https://www.princegeorgescountymd.gov/DocumentCenter/View/45461/CB-7-Rent-Stabilization-Act-FAQs---Revised-4-21-2023>.

FIGURE 1: MEDIAN RENT (2016-2021)²¹



Source: American Community Survey 5-year estimates (2017 – 2021)

Furthermore, as shown in Table 3, while renters across all income levels are experiencing housing cost burden, a significant number of renter households with the lowest incomes (less than \$50,000 per year) are consistently spending more than 30% of their income on rent; therefore, are considered to be rent burdened. These households have the lowest ability to absorb significant increases in rent year-to-year, contributing to heightened housing instability.

TABLE 3: RENTER COST BURDEN BY HOUSEHOLD INCOME

	<\$20K	20K-35K	35K- 50k	50k-75k	75k+
Total renter households	420	415	547	864	1,807
Renter households that spend >30% of income on rent	333	366	535	469	200
% of all renter occupied housing units	8.10%	8.90%	13.00%	11.40%	4.80%

Source: American Community Survey 5-year estimates (2017 – 2021)

Overview of Rental Housing Stock

In considering what rent stabilization policy components should be applied, it is critical to understand a jurisdiction's housing stock. According to licensing data provided by the City of Hyattsville, the city has 4,730 rental housing units, located within 555 properties.²²

Table 4 represents Hyattsville's rental housing stock in terms of property size (units per property). Rental properties with more than four units make up over 88% of the rental stock (4,176 units).

²¹ Current Census data is limited to 2021 as American Community Survey 5-year estimates for 2018-2022 are unavailable. 5-year estimates are not representative of a specific year but measure a 5-year period.

²² Please note that there is currently limited data available on single-family attached rental units (i.e., rented townhomes) in the city.

TABLE 4: REPRESENTATION OF PROPERTY SIZES IN HYATTSVILLE

	2 Units or Less	3-4 Units	5-10 Units	11-30 Units	31+ Units
Number of Units	507	47	49	142	3,985
Property Count	506	14	8	7	20

Source: Hyattsville Department of Community and Economic Development, Multifamily Units, 2023.

Most of Hyattsville’s multifamily rental stock is comprised primarily of older units, with 84% of units developed before 1975; however, there is a growing number of new developments in the city. There have been six rental properties developed in the last 15 years and there are five rental developments currently in the pipeline, with four projected to be completed in 2024. Table 5 details the rental properties that are currently in the pipeline for the City of Hyattsville.

TABLE 5: HYATTSVILLE RENTAL PIPELINE

Rental Property	Estimated Delivery	Unit Count
Sovren Apartments (Riverfront at West Hyattsville)	2024	293
Dewey Development – Parcel 1	2025	361
Dewey Development – Parcel 5	2024	321
Canvas Apartments	2024	284
Residences at the Six (6400 America Blvd)	2024	316
Total		1,575

Source: Hyattsville Department of Community and Economic Development, Development Pipeline, 2023.

Additional data points will be referenced throughout this memo to illustrate the implications of various policy decisions.

Policy Analysis and Recommendations

Using the five policy components as an organizing framework, the Enterprise team (1) analyzed impacts of City Council’s proposal and (2) analyzed impacts of recommended adjustments for the members of City Council to consider.

Included and Exempted Rental Units

A key decision in creating a stabilization policy is choosing which type of properties to regulate. These exemptions are often tied to the age, size, and ownership of buildings, as well as existing affordability requirements.

Proposed Language in HCC-324-FY23

“The following classes of rental properties and rental agreements shall be exempt from the limit imposed through the MAARI.:

Rental properties less than 15 years old;

Buildings with 2 or fewer units;

Owner-occupied where the tenants share a kitchen or bathroom with the owner;

Short-term leasing agreements. (Defined as leases for 30 days or less, published via short term leasing platform such as Airbnb)

Extensions of leases beyond 120 days will make the unit subject to the Rent Allowance clauses prescribed;

Federally regulated rental units for which rates are negotiated between the federal government and property owners;

Accessory apartments and dwelling units.

Based on available data related to rental property age, units per building, and federally regulated units, if the City were to enact this language, at least 2,340 rental units would be exempted out of the 4,730 rental units (49%).

Recommended Approach and Adjustments

The Enterprise team recommends the following building traits should make them exempt from the City's rent stabilization policy:

- Rental properties less than 15 years old (1,588 units if a rent stabilization policy were to go into effect in 2023)
- Short-term leasing agreements (defined as leases for 30 days or less, published via short term leasing platform such as Airbnb)
 - Extensions of leases beyond 120 days will make the unit subject to the Rent Allowance clauses prescribed
- Properties with four (4) or fewer units (554 units)
 - Accessory apartments and dwelling units
 - Owner-occupied properties where tenants share a kitchen or bathroom with the owner
- Publicly subsidized and regulated rental units for which rates are negotiated between the federal, state, or local government and property owners (at least 429 units)

Under the recommended approach, at least 2,571 rental units would be exempted out of the 4,730 rental units (54%) if the policy were to go into effect in 2023.

Building Age

The Enterprise team agrees with City Council's proposal that buildings less than 15 years old should be exempt from the rent stabilization policy. Fifteen years is typically a long enough period for developers and investors to see stabilized rents and operating costs; additionally, it is usually a long enough time period for initial investors recoup their investment and sell their share, all of which helps to mitigate the risk of suppressing housing construction and investment. Property managers and developers advocated for more than 15 years considering the typical lifespan of a mortgage is 30 years. However, a 15-year exemption period benefits tenants by regulating units sooner. This could lead to slower rent increases in the long term, leading to a larger stock of housing that is affordable to residents over time. This approach balances the needs of both renters and property owners.

Under this approach, 1,588 units would be exempted on the basis of age out of the total rental units if a rent stabilization policy were to go into effect in 2023.

Short-Term Leasing Agreements

The Enterprise team agrees with City Council's recommendation to exempt short-term lease agreements as this is a common practice among cities with rent stabilization. Additionally, under the Prince George's County short-term

rental licensing requirement, a homeowner is only allowed to obtain a license for their primary residence.²³ Because both City Council and the Enterprise team have proposed to exempt single-family homes and any properties with four or fewer units, short-term rentals will not be regulated under the proposed policy.

The Enterprise team agrees with City Council's proposal to include short-term rental units under the permitted rent increase clause if the lease goes beyond 120 days.

Building Size

The Enterprise team recommends that the City exempt buildings with four or fewer units from its rent stabilization policy. A policy of exempting only buildings with two units or less, as initially proposed, would apply to 506 properties.²⁴ The Enterprise team proposes expanding this to include properties with four or fewer units because of several reasons.

First, this would ease financial and administrative burdens for "mom or pop" smaller landlords who are an important part of Hyattsville's property owner universe. Second, this would reduce the administrative burden on Hyattsville staff by reducing the number of property managers and renters that need policy education and monitoring. Smaller landlords may also need more direct assistance from city staff (i.e., more staff time) to understand the policy than larger landlords who have more experience and capacity. Third, while local data was unavailable to the Enterprise team, it is likely that most of Hyattsville's rental homes with owner-occupied units are those with four or fewer units. One study found that landlords who live in their smaller rental properties (two to six units) tend to take better care of their properties,²⁵ and by extension, their tenants.

The Enterprise team also agrees with Council's suggestion to exempt accessory apartments and dwelling units, which would be captured under the exemption of properties with four or fewer units.

Under this approach, 554 units would be exempted based on size out of the 4,730 total rental units (12%).

Dedicated Affordable Housing Units

The Enterprise team recommends that the City expand the exception for federally regulated rental units to include all publicly subsidized and regulated rental units. Although most affordable housing properties in Hyattsville are subsidized through federal means, there are properties, such as the Sovren Apartments²⁶, that receive funding from the County. As the policy is proposed through HCC-324-FY23, there are no exemptions provided for units that are subsidized by local government; however, if Hyattsville were to adopt policy language that included these additional subsidized units, they would add at least the 146 units at the Sovren Apartments as well as 184 units at Hamilton Manor to the universe of exempted properties.

Furthermore, as the County continues to increase funding for its Housing Investment Trust Fund and the City itself explores developing a local housing trust fund, the City should expect to see more affordable housing developments in the rental pipeline beyond those that receive federal funding.

²³ Prince George's County Short-Term Rentals FAQ.

<https://www.princegeorgescountymd.gov/DocumentCenter/View/32693/Short-Term-Rentals-STR-Frequently-Asked-Questions>

²⁴ Based on available data

²⁵ This is in reference to a 2019 study in Rochester, NY that found that owner-occupied rental properties with six or less units are less likely to have code violations than rental properties without a landlord living in the building. Rose, G., & Harris, R. (2022). The three tenures: A case of property maintenance. *Urban Studies*, 59(9), 1926–1943. <https://doi.org/10.1177/00420980211029203>

²⁶ At the writing of this report, Sovren Apartments is under construction. The County Council approved a Payment in Lieu of Taxes and funding from the County's Housing Investment Trust Fund.

As shown in Table 6, under this policy approach, at least 429 units would currently be exempt out of the 4,730 total rental units (9%).²⁷ Since the Sovren Apartments would still be exempt under the 15-year grace period, they are not included in the current count. When the 15-year exemption expires, there will be at least 575 units exempt.

TABLE 6: HYATTSVILLE'S DEDICATED AFFORDABLE HOUSING STOCK

Property	Regulated Units	Subsidy
Friendship Arms Apartments	150	Section 8
Hamilton Manor Apartments	184	RoFR
Parkview Manor Apartments	51	LIHTC
Renaissance Square Artist Housing	44	LIHTC, HOME
Total	429	

Source: Hyattsville Department of Community and Economic Development, 2023; Prince George's County Department of Housing and Community Development, Right of First Refusal Program, 2023

Allowable Rent Increases

The MAARI is the maximum amount that a landlord can increase the rent for each tenant in a 12-month period. The MAARI differs by jurisdiction and can be determined through a combination of factors.

Proposed Language in HCC-324-FY23

"The MAARI shall be equal to the annual percentage increase in the Washington-Arlington-Alexandria, DC-VA-MD-WV Consumer Price Index for All Urban Consumers (CPI-U), from November to November of the two most recent calendar years, rounded to the nearest whole number, and shall be effective for a twelve-month period beginning January 1."

Although using CPI to cap rent is typically reliable, there are instances where it does not accurately reflect changes in building operating costs. This is a key factor to consider for Hyattsville since most of the City's multifamily rental units (84%) were built before 1975 and may require landlords to spend more money to maintain the quality of their units.

Recommended Adjustments

The Enterprise team recommends that the City of Hyattsville consider a MAARI formula that reflects these combined factors:

- A core annual index of cost of living, such as the regional CPI-U
- An escalator (expressed as an additional percentage of eligible rent) to support landlord investments in current worker salaries, increasing staff, expanding resident services or other appropriate expenditures, and
- A cap above which the CPI-U plus escalator shall not exceed.

The three components work together because they each serve a different function and help to counterbalance the imperfections of their complementary pieces. They work together to ensure that the MAARI reflects an objective measure of market conditions, permits landlords to collect revenue sufficient to invest in its workers or resident services beyond cost-of-living only adjustments, and, most importantly, eliminates the risk of severe, unanticipated

²⁷ Table 6 may not reflect all affordable units that have received funding/incentives from the County alone (no federal funding). Per Prince George's County Department of Housing and Community Development, 184 units have been supported through the County's Right of First Refusal program.

rent increases that threaten tenants' ability to cover their housing costs and remain in their homes. The City has the flexibility to define the escalator and the cap at a percentage that reflects its goals for the policy.

Cost of Living Factor

The Enterprise team agrees with City Council's recommendation to use CPI-U, a nationally recognized and commonly used measure for the cost of living for rent stabilization policies,²⁸ as the base for setting its MAARI.

Escalator

However, the cost of housing only represents about a third of the value of the goods and services that the Bureau of Labor Statistics uses to track inflation for the CPI.²⁹ Therefore, because there are other contributing factors that influence the CPI, there are occasions when rents can decrease while CPI increases, including as recently as May of this year.³⁰ Being an imperfect measure of the marketplace, economic conditions, and rent revenue, it is important to consider an escalator in addition to the CPI-U constant as part of any MAARI formula. Furthermore, CPI-only increase provides no margin for a landlord to expand staff or increase salaries, or invest further in the property and services, a sentiment raised consistently during stakeholder interview. Hyattsville property owners are not alone in expressing this experience; one national survey from October 2022 found that 80% of landlords reported seeing increasing operating costs over the previous year with 41% stating that costs rose by more than 10%.³¹

Factoring in the regional policy landscape, the Enterprise team recommends that City Council consider a 3% escalator. Ultimately, it is up to the City to determine their place in the housing market relative to their neighbors.

Cap

Rent stabilization is not primarily a housing affordability tool; it is a tool to increase predictability, which gives tenants something closer to the benefits enjoyed by fixed-rate mortgage holders. Setting a cap that is easily calculable helps to create a similar experience of consistency; by including a cap, renters can know with certainty how much they need to budget and plan for to cover the cost of rent in the future. Furthermore, setting a cap ensures that rent stabilization policies foster both household and community stability.³² While there is not necessarily a perfect factor, the Enterprise team recommends using a 6% cap as a starting place for policy discussions.

Composite Impact

Considering all three components together, the Enterprise team recommends a MAARI of CPI-U with an escalator of 3% and a cap of 6%. The Enterprise team recommends including an escalator of 3% to ensure that landlords can keep up with the administrative and operational costs of managing their properties. The recommendation for a 3%

²⁸ Geotz, E., et. al. (2021 Feb). Minneapolis Rent Stabilization Study. *Center for Urban and Regional Affairs (CURA), University of Minnesota*. Retrieved from <https://lms.minneapolismn.gov/Download/FileV2/23362/Rent-Stabilization-Research-Final-Report.pdf>

²⁹ Wessel, D. & Campbell, S. (2022, May 18). How does the Consumer Price Index account for the cost of housing? *Brookings Institute*. Retrieved from <https://www.brookings.edu/articles/how-does-the-consumer-price-index-account-for-the-cost-of-housing/>

³⁰ Ramaswamy, S. V. (2023, June 13). Rent prices are dropping, so why do CPI numbers for shelter remain high? *USA Today*. Retrieved from <https://www.usatoday.com/story/money/2023/06/13/rent-housing-cost-cpi-numbers-explained/70317130007/>

³¹ Dagher, V. (2022, Dec 19). For Landlords, Rising Housing Costs Make It Harder to Earn Passive Income". *Wall Street Journal*. <https://www.wsj.com/articles/for-landlords-rising-housing-costs-make-it-harder-to-earn-passive-income-11671403749>

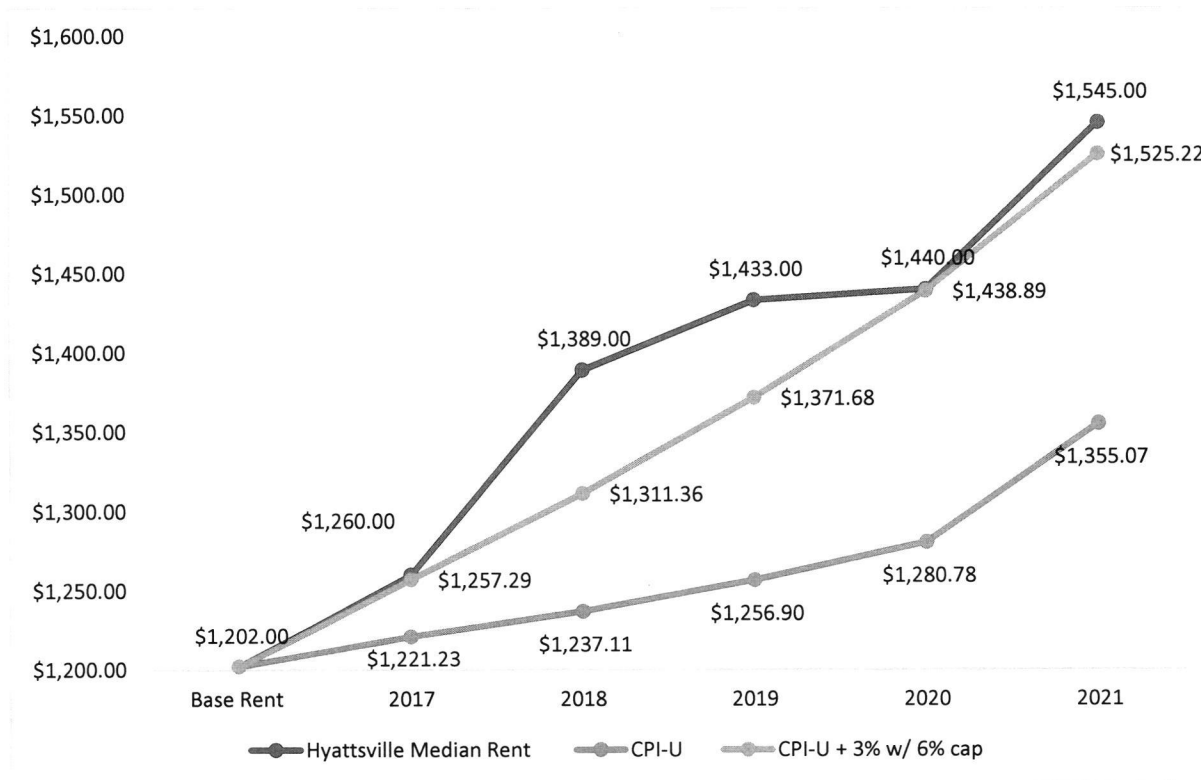
³² Quigley, F. (2023, July 20). Why We Need Rent Control. *Jacobin*. Retrieved from <https://jacobin.com/2023/07/rent-control-arguments-myths-housing-real-estate/>

escalator is also influenced by the regional context of Montgomery County and Washington, DC; however, it is up to the City Council to determine their place in the housing market relative to their neighbors.

Tying permitted rent increases to a CPI-U and an escalator alone is not enough to ensure housing stability for the city's renters, which is the ultimate goal of this policy. As such, the Enterprise team recommends including a cap of 6% to prevent any sharp jumps in rent if CPI were to increase exponentially from one year to the next. Additionally, most renters will not track the annual changes to CPI specifically in order to budget for their next year's potential increase in rent. By including a cap of 6%, renters will understand with more certainty how much they need to budget and plan for to cover the cost of rent in the future. Setting a cap ensures that rent stabilization policies foster both household and community stability.³³

Figure 2 shows how a cap, in combination with the Enterprise team's recommendation for a CPI-U +3% MAARI, could have impacted rents over the past five years. The graph looks at how rents would have increased over five years in comparison to the American Community Survey's estimate for the median rent for all units in Hyattsville. The base rent was the 2016 median rent (\$1,202). As Figure 2 demonstrates, using the CPI-U +3% with a cap of 6% results in a slightly lower rent than the actual 2021 median rent. Although the CPI-U +3% with a 6% cap tracks closely to the median rent in 2021, it shows a more gradual increase over time in comparison to a less predictable rise and fall of rents without a cap. While a CPI-U + 3% model is more financially burdensome for renters than a MAARI simply tied to the CPI-U as initially proposed by the City, the cap of 6% helps to balance this approach by minimizing the added financial burden for renters while addressing property owners' concerns about increasing operating costs and regional development.

FIGURE 2: MODEL OF ANNUAL RENT INCREASES UTILIZING THE RECOMMENDED MAARI



³³ Quigley, F. (2023, July 20). Why We Need Rent Control. *Jacobin*. Retrieved from <https://jacobin.com/2023/07/rent-control-arguments-myths-housing-real-estate/>

Exceptions for Landlords

For non-exempted properties, jurisdictions can legislate exceptions that let property managers raise their rent above the MAARI. Jurisdictions that set a lower maximum rent increase should consider providing reasonable exceptions; conversely, jurisdictions with a higher maximum allowable increase can consider offering fewer exceptions to landlords.

Proposed Language in HCC-324-FY23

“Landlords have a right to petition for a rent increase in order to obtain a fair return. A fair return rent increase is intended to protect tenants from unwarranted rent increases, while allowing rent levels that provide landlords with a fair return.

- *Fair return is defined as base year net operating income adjusted by 70% of the percentage increase in the Consumer Price Index (CPI) from the base year until 2007, and 100% of the percentage increase in the CPI since 2007...*
- *Base Year. The landlord may select any of the following as the base year when petitioning for a fair return rent increase:*
 - *1979, unless the property contains four or fewer dwelling units;*
 - *1987, if the property contains four or fewer rental units;*
 - *1990;*
 - *2000.”*

Recommended Adjustments

The Enterprise team recommends that the City adopt the proposed fair return clause as written. Furthermore, the Enterprise team recommends that the City establish a process for landlords to appeal for exceptions (e.g., a hardship petition) to ensure that landlords have a mechanism to advocate for a “fair return.” Exceptions should be limited to natural people (i.e., not private entities or corporations).

The Enterprise team also recommends including a capital improvements exception that would allow landlords to raise rent above the MAARI to account for critical and significant property improvements. When developing the regulations, it is critical that the City be explicit in their policies “to prevent unnecessary rent increases for trivial maintenance and renovations”³⁴ and streamline the process as much as possible. When crafted effectively, these clauses address concerns from property managers that it will not be feasible to afford property improvements and that living conditions for renters will suffer.

Last, the exemption process should be designed and administered as a regulation as opposed to including it in an ordinance. This will give the City administrative flexibility to determine what appeal process works best for the City of Hyattsville.

Decontrol

Decontrol policies take various forms, including rent banking.

Proposed Language in HCC-324-FY23

“Preferential rent is rent a landlord charges that is lower than the legal regulated rent they can lawfully charge. If a landlord uses preferential rent, once the tenancy ends the landlord may increase the rent for the new tenant up to the full amount permitted by the MAARI over the full duration of the previous tenancy. This option is available only

³⁴ *Rent Stabilization* | PolicyLink. (n.d.). <https://www.policylink.org/resources-tools/tools/all-in-cities/housing-anti-displacement/rent-control>

when there is a change in tenants and can only span the time between two tenancies (i.e., once a new lease agreement is reached, any past preferential rent usage will become fixed)."

The Enterprise team recommends that the City adopt the proposed rent banking policy as written. With a rent banking policy, landlords may be less likely to utilize the full rent increase every year if there is not a change in tenant. This is preferable to a full vacancy decontrol policy as studies have shown that cities with full vacancy decontrol policies between tenancies are less affordable and more likely to displace Black renters than cities that cap rent increases between tenancies.³⁵ Rent banking, on the other hand, provides landlords with the flexibility to apply the rent increases in the years they see fit without incentivizing or jeopardizing housing stability for the tenant. Of note, it is important that the banking only apply when there is a new *tenant* as opposed to a new *lease* to prevent unexpectedly high rent increases for the same tenant between leases.

Related Tenant Protections

Proposed Language in HCC-324-FY23

The Hyattsville City Council did not include language for tenant protections in their proposal.

Recommended Considerations

The Enterprise team recommends that the City consider the tenant protections introduced in this report, including:

- Rent adjustment petitions
- Tenant Right to Counsel
- Tenant Opportunity to Purchase

Rent Adjustment Petitions

The habitability and maintenance of units was a concern brought up throughout the stakeholder engagement conducted for this study. Some tenants expressed concerns that landlords would stop maintaining units if a rent stabilization policy were enacted in Hyattsville. One way to address this and provide tenants with some recourse is through enabling rent adjustment petitions. This allows for tenants to file a petition for a rent reduction if the owner has failed to comply with housing codes or provide adequate housing. Because the City is currently proposing the exception petitions for landlords, there may already be infrastructure in place to support the addition of rent adjustment petitions for tenants. It is also important to consider the staff capacity needed when building out this program.

Tenant Right to Counsel

Tenant right to counsel is currently enacted statewide, but Hyattsville can bolster current protection by providing funding to organizations that provide free legal services to low-income renters.

Tenant Opportunity to Purchase (TOPA)

Prince George’s County currently has a Right of First Refusal policy in place that allows the county to buy multifamily rental facilities to preserve housing opportunities for low- to moderate-income households in the county. Another consideration can be enacting TOPA policies that contribute to the preservation of affordable housing and create opportunities for community ownership.

TABLE 7: SUMMARY OF RECOMMENDED ADJUSTMENTS

Policy Component	City Council Proposal	Recommendations
Exempted rental units	• Properties less than 15 years old	• Properties less than 15 years old

³⁵ Heskin, A., Levine, N. & Garret, M. (2007). The effects of vacancy decontrol: A spatial analysis of four California cities. *Journal of American Planning Association* 66(2): 162-176.

	• Short-term leasing agreements (up to 120 days) • Buildings with two or fewer units • Owner-occupied where the tenants share a kitchen or bathrooms with the owner • Accessory apartments and dwelling units • Federally subsidized rental units	• Short-term leasing agreements (up to 120 days) • Properties with four or fewer units • Accessory apartments and dwelling units • Owner-occupied where the tenants share a kitchen or bathrooms with the owner • All subsidized/regulated affordable units (federal, state, county, local)
Allowable rent increases	• Constant: CPI-U • Escalator: none • Cap: none	• Constant: CPI-U • Escalator: 3% Cap: 6%
Exceptions	• Fair return petitions	• Fair return petitions • Capital improvements
Decontrol	• Rent banking, applied at the end of a tenancy	• Rent banking, applied at the end of a tenancy
Related Tenant Protections	• None	• Rent Adjustment Petitions • Tenant Right to Counsel • Tenant Opportunity to Purchase

Complementary Policies & Tools

A rent stabilization policy is just one tool in the housing toolkit and should not be the only policy pursued by the City of Hyattsville to improve housing stability for its residents. This section includes alternative policy options introduced in the Housing Action Agenda, as well as policies that other jurisdictions have paired with rent stabilization.

Dedicated Local Funding Source

A recommendation that came out of the Housing Action Agenda was the creation of a dedicated local funding source for housing development and related activities. An affordable housing trust uses public revenue to create and sustain affordable housing. The benefit of trusts is that they provide flexibility and can be used by local governments to help residents access high quality, affordable homes; reduce exposure to unhealthy living environments; and lessen cost burden.³⁶

Affordable housing trusts can be a critical complementary tool for rent stabilization. Much of the concern of implementing a rent stabilization policy is contributed to the potential impact it has on the future development of housing as well as impacts on a landlord's ability to maintain housing quality. An affordable housing trust can provide funding for the development of housing that is affordable at all income levels, especially the lowest earners. Additionally, it can be used to provide smaller loans or grants to landlords to make critical repairs to their units as well as help tenants pay utility bills. For example, the City of Philadelphia uses its trust funds to provide

³⁶ CityHealth, Addressing America's Housing Crisis. (2022). <https://www.cityhealth.org/wp-content/uploads/2022/08/CityHealth-Report-Addressing-Americas-Housing-Crisis.pdf>

emergency utility assistance to low-income families who have fallen behind on their utility bills and are facing utility shut offs. With the funds they have been able to assist over 2,000 residents with their utility bills. They have also been able to support residents with heater repairs; and basic system repairs to plumbing, electrical, roofing, and heating systems to maintain housing quality and habitability.³⁷

Creating a tool like this can also be way to provide assistance to tenants in buildings with fewer units that are excluded from a rent stabilization policy, as well as preserve naturally occurring affordable housing.

Tax Incentives

Some cities provide tax incentives for the maintenance and rehabilitation of naturally occurring affordable rental units. Older units are typically the main source of unsubsidized affordable rental housing in a city and typically require more upkeep to maintain quality than more recently built properties. Because rents for these units are below market rate, it can be difficult for landlords to make any significant renovations or upgrades without an increase in rent. In order to support the preservation of these units, local governments can allow owners to make improvements to the property and hold its taxable value at the level it was at before improvement. This can be helpful for smaller landlords who may lack sufficient rental income to cover the costs of keeping older buildings up to code or upgrading critical building systems such as electrical or plumbing.³⁸

Another policy option is to provide tax exemptions to developers who place their units under rent stabilization. For example, the Affordable New York program provides developers with a subsidy to stabilize newly developed units. Additionally, properties that are already receiving the subsidy can extend their tax exemption period up to 15 years if they agree to keep their units stabilized as well as guarantee 20% of their units remain affordable to households whose income does not exceed 100% of the area median income.³⁹

Operationalizing Hyattsville's Rent Stabilization Policy

For City Council's policy goals to be reached, thoughtfully designed enforcement and administration practices will be critical. While there are costs to the City associated with implementation of a rent stabilization policy, they are outweighed by the benefits to the community.

Enforcement

The Enterprise team recommends that the City adopt an active monitoring and compliance approach that also allows for tenants to file complaints. The City should require non-exempted landlords to notify the City and tenant(s) of their rent rates on an annual basis via a standardized process. Through use of an electronic database, City staff will be able to flag proposed rent increases that violate the rent stabilization policy. Staff should send written notices to any landlords that are proposing non-compliant rent rates. If a tenant is assessed a greater rent than what the landlord reported to the City, they may also file a formal complaint to the City. The complaint system needs to be accessible.

In alignment with City Council's proposal, the Enterprise team agrees with the recommendation included in HCC-324-FY23:

³⁷ Philadelphia Housing Trust Fund Report 2020-2021. (2022).

<https://www.phila.gov/media/20220331093748/Philadelphia-Housing-Trust-Fund-Report-2020-2021.pdf>

³⁸ <https://localhousingsolutions.org/housing-policy-library/tax-incentives-for-the-maintenance-and-rehabilitation-of-unsubsidized-affordable-rental-properties/>

³⁹ <https://www.nyc.gov/site/hpd/services-and-information/tax-incentives-421-a.page>

Any landlord found guilty of a serious violation of the ordinance, shall be required to pay any tenant harmed by any such violation no less than the equivalent of three (3) months of rent, plus any attorney fees paid by the City to enforce the ordinance.

The City may deny a rental license to, and may impose significant financial penalties on, any landlord who fails to comply with this ordinance.

Property owners may be sanctioned under this statute if city code finds them in violation:

<<https://law.justia.com/codes/maryland/2021/real-property/title-8/subtitle-2/section-8-211/>>

Appeals processes are typically made available when a landlord has requested an exception from the stated annual rent increase cap and a subsequent decision has been made. Both parties (tenants and landlords) should be informed of the decision by the administering body, and, in the cases reviewed as part of this research, both parties can appeal the decision reached.

Administration

Administering and proactively enforcing a rent stabilization will require the City staff to do the following:

- Build out rental registry database
- Develop and refine necessary forms, standard operating procedures, etc.
- Analyze database for compliance with registry requirements and rent stabilization requirements
- Work with technology partner to create and maintain a user-friendly calculator to compute compliant rent increases
- Notify landlords/tenants of any non-compliant rent rates submitted
- Process and manage tenant complaints
- Adjudicate landlord/tenant disputes relating to rent increases
- Process landlord requests for exceptions
 - Notifying landlords and tenants of approvals/denials
- Develop and implement community education strategy
 - Produce educational materials for landlords and tenants
 - Conduct community outreach and trainings to ensure all landlords and tenants, including those who are not fluent in English, are aware of and understand the policy
- Respond to inquiries submitted to City
- Collect and analyze key performance indicators (see Policy Evaluation section)
- Produce annual reports
- Conduct five-year evaluations
- Provide policy recommendations

In interviewing staff in comparably sized communities, the Enterprise team determined that multiple staff are needed to effectively carry out these responsibilities without creating bottlenecks. As staff in Permits & Licensing currently process rental licenses, the Enterprise team recommends that this team also manage the rental registry. A full-time program manager will be needed to handle day-to-day administration and enforcement; it will need to be determined if this individual has the authority to adjudicate violations or if a higher-ranking employee will need to make final determinations. Based on interviews with staff from other cities, it is recommended that a person in this role have a background working in housing programs and with regulations, particularly LIHTC or HOME compliance.

It is important to note that staff from cities with long standing rent stabilization programs have emphasized the significant amount of staff time that is required to operate their stabilization programs. Takoma Park has two staff members dedicated to a program that monitors 1,600 rental units. The staff member that directly administers the

program spends roughly 75% of their time on administering the program, while the Housing Manager spends 20% of their time on the program.

As clear community education is paramount, the Enterprise team also recommends that City Communications staff are engaged in the implementation of the policy. Information Technology staff will also be critical partners in procuring/developing systems to streamline and manage process. While technology systems are costly, they can ultimately optimize staff time and mitigate frustrations of tenants and landlords alike.

Partnerships

Identifying and forging partners with community-based organizations can increase the efficacy of a rent stabilization policy. Partnerships can create ease with tenant engagement and outreach efforts by leveraging the networks of community-based organizations. This can be particularly useful when trying to engage renters who may be considered hard to reach, foster a sense of trust from the community, and provide necessary education to residents.

Policy Evaluation

The Enterprise team recommends that the City use a two-pronged reporting and evaluation approach where the City creates annual reports with major data points in addition to conducting a more comprehensive review every five years to examine longer-term trends. Annual reporting should track the implementation of the policy and measure how well Hyattsville is able to operationalize the program. This is critical for tracking progress in the early years when it might be too soon to interpret the policy's impact on the community. The registration system should capture most, if not all, of the data needed for the annual reporting to establish a baseline dataset that can be built on year after year. The less frequent, more comprehensive evaluation may require collecting additional quantitative and qualitative data to evaluate program success.

The Enterprise team recommends that the City of Hyattsville collect and track the following data for annual reporting purposes:

- Total rental inventory - number of rental properties and rental units
 - Purpose: establishes a baseline of comparison for the city's entire rental housing stock
- Number of rental units estimated to be subject to rent stabilization
 - Purpose: establishes a baseline for compliance
- Median rent increase for stabilized rental units
 - Purposes: establishes a baseline for citywide MAARI comparisons; determines if rents are generally staying at or below the City's adopted MAARI
- Number of landlord exception petitions submitted and approved
 - Purpose: serves as a proxy for if landlords believe they are able to keep up with maintenance and operating costs while also receiving a fair return on their property. Of note, this is the only piece of data that would need to be collected outside of the annual registration process. Instead, this would need to be collected from the staff responsible for receiving/processing landlord exception petitions.

In addition to incorporating the datasets presented above, the Enterprise team recommends that the City of Hyattsville consider examining the following datasets for the more comprehensive evaluation:

Housing Stock Measures

- Total number of rental units and total number of affected units
 - Purpose: there is some evidence that rent stabilization policies can adversely impact rental housing supply.⁴⁰ If the total number of rental units or the total number of affected units decreases over an extended period of time, it could be an indication that the City's rent stabilization policy may be having this effect.
 - Data source: annual registration process
- Condominium conversions
 - Purpose: There is some evidence that rent stabilization policies can lead to a reduction in the overall rental stock via condominium conversions.⁴¹ An increase in the number of condominiums coupled with a decrease in the number of available rental units could be an indication that the city is experiencing this unintended consequence.
 - Data source: tracking system; the City can conduct interviews with property owners who opt to convert rental units to condominiums

Tenant Experience

- Tenant-initiated complaints
 - Purpose: If tenants routinely reach out to the city fearing that they are being charged too much for rent, this could either be an indication that the City needs to conduct more tenant education (if the landlords are in compliance) or that there needs to be stricter enforcement (if the landlords are out of compliance).
 - Data source: compliance system; City should track complaints filed and their resolution (complaint dismissed or upheld)
- Additional amenity fees
 - Purpose: Additional or rapidly increasing amenity fees could be an indication that landlords are attempting to recapture their lost revenue potential through other unregulated means
 - Data source: rental registry
- Number of evictions
 - Purpose: considering a policy goal of rent stabilization is housing stability, an increase in the number of evictions could be an indicator that supplementary measures need to be taken to protect vulnerable renters
 - Data sources: Court records, CASA-facilitated rent mediation cases in Hyattsville, anecdotal evidence from the City's Community Services Department. Of note, this data can be challenging to acquire, decipher, or tie directly to rent and is usually more informative for communities that allow for partial or full vacancy decontrol.

Landlord Experience

⁴⁰ Prasanna Rajasekaran, P., Treskon, M. & Greene, S. (Jan 2019). Rent Control: What Does the Research Tell Us about the Effectiveness of Local Action? Urban Institute.

⁴¹ Prasanna Rajasekaran, P., Treskon, M. & Greene, S. (Jan 2019). Rent Control: What Does the Research Tell Us about the Effectiveness of Local Action? Urban Institute.

- Housing quality
 - Purpose: Property managers expressed that a rent stabilization policy could impede their ability to afford needed repairs. A reduction in housing quality for rental units could be an indication that landlords are having a challenging time doing so.
 - Data source: Number of code violations, evidence from Code Enforcement and Community Services Departments.
- Operating expenses per unit
 - Purpose: Property managers suggested that if their operating costs continue to increase and outpace the adopted MAARI, the City should consider adjusting the cap.
 - Data sources: Landlord exception petitions

Conclusion

The City of Hyattsville has demonstrated a great desire to legislate policy that increases stability for residents, especially those most vulnerable to the impacts of rent shock. There are many options and nuances for the City of Hyattsville to consider when deciding on language for a rent stabilization policy. The language recommended in this document accounts for the City's local context and what is being done on a regional level. The recommended language is intended to promote housing stability while allowing landlords to generate enough income to maintain their rental units. Moving forward, the City should consider regional rent stabilization policy activity and whether it is the right time for the City to adopt a full policy if the County is moving toward its own. As mentioned throughout this report, rent stabilization alone does not create housing and neighborhood stability and, therefore, the City of Hyattsville should continue to work towards implementing additional policies that address housing stability and affordability for residents.

Appendix A: Stakeholder Engagement Summary

Introduction

The project team conducted a variety of stakeholder interviews in service of developing a rent stabilization policy that best serves the needs of the Hyattsville community. The purpose of this task was to understand how a rent stabilization policy could effectively support the City's affordable housing goals while also reducing any adverse impacts on tenants, property owners, developers, and city staff.

The project team hosted 14 interviews and focus groups with 33 members of the Hyattsville housing ecosystem. The project team attempted to speak with all parties that would be impacted by a rent stabilization policy. Interviewees were guaranteed that their feedback would not be quoted or directly attributed to them. For that reason, the identities of most interviewees are not listed, but rather, their organization or role in the housing ecosystem has been identified. The groups are listed below with the parentheses representing the total number of people the project team spoke with.

- Multifamily housing tenant association (10)
- CASA De Maryland (2)
- Housing Initiative Partnership (HIP) (2)
- Multifamily property owners & managers (5)
- Market-rate developers (2)
- City of Hyattsville elected leaders (4)
- City of Hyattsville staff (7)
- City of Takoma Park staff (1)

As can be seen from the list above, the project team reached out to a diverse group of stakeholders to inform rent stabilization policy recommendations. Meaningful community engagement was outside of the scope and timeframe for this project. However, a deeper community engagement initiative was conducted to develop the City of Hyattsville's Housing Action Agenda in 2021, which is what helped to identify rent stabilization as a key community priority.

Key Themes

Several key themes were identified over the course of the stakeholder engagement process. Those key themes include:

- **Desire for stability:** All parties mentioned the importance of stability and predictability but from their vantage point. Particularly, tenant advocates believed a rent stabilization policy would help increase housing stability (i.e., maintain or increase rental tenure). For outreach and education purposes, it may be beneficial to emphasize a message of stability and demonstrate how a rent stabilization policy could offer greater stability and predictability for all parties.
- **Existing political will:** There is strong political will to pass a rent stabilization policy. The Mayor and City Council members are confident that this is the right policy for the City and the right time to pass it.
- **Mixed support from property owners:** Most property owners and developers expressed complete opposition to any form of rent stabilization, arguing that a MAARI may force them to sell their properties or invest and build elsewhere. Some property owners expressed an openness to a rent stabilization policy but advocated for a variety of avenues to recapture lost rent revenue potential, such as a vacancy decontrols, a MAARI that would allow for rent increases beyond the Consumer Price Index (CPI) increase, and/or minimally burdensome hardship petitions.
- **Offer incentives:** There was near unanimous support for ensuring that legislation is not designed with the worst landlords in mind. Property owners and developers expressed concerns about creating an overly burdensome process that inadvertently punishes good-faith landlords who do not regularly increase rent

by significant amounts. Instead, property owners suggested that the City use a “carrot, not a stick” approach.

- **Cost of Water:** Nearly every interviewee, especially property owners and tenants, expressed frustration with the rapidly rising cost of water. Tenants stated that water bills are rapidly rising and unpredictable, which can make it hard to save for other costs like healthcare, food, and transportation. Property owners identified the rising cost of water as an unacknowledged burden placed on many property owners. Some stated that they needed to start charging their tenants because of how unsustainable the rate of change was. Others expressed a desire for City assistance in installing water meters so they could charge their individual units more accurately.
- **Areas of tension:** Several areas of tension around specific policy traits emerged over the course of the interviews:
 - **Age of the building:** Property owners and developers stated that buildings less than 30 years old should still be exempt because most mortgages are for 30 years. Others argued that 15 years was a sufficient age because property owners have likely recouped their losses and/or refinanced at that point.
 - **Vacancy decontrol:** Tenant advocates argued that a vacancy decontrol will incentivize evictions whereas property owners stated that this was the only way they could make a reasonable return on their properties.
 - **MAARI Cap:** There was no clear consensus on which cap for a MAARI (i.e., % of CPI, 100% of CPI, CPI +%) was most appropriate, but property owners and developers stated that anything less than a CPI +% model would not allow them to recoup property maintenance expenses.
 - **Unit Count & Owner Occupancy:** Property owners believed that certain properties should be exempt from a rent stabilization policy based on the number of units; suggested units ranged from properties with 2 to 50 units. City of Takoma Park staff suggested that owner-occupied buildings up to 7 units should be considered for exemption, believing that owner-occupied multifamily buildings are less likely to see unsustainably high increases in rent.

Interview Group Summaries

The following summaries provide an overview of each group’s unique perspective and identifies key points made by each group.

Multifamily Tenant Association

The project team spoke with a tenant association of a large apartment building that is located within the city limits. Ten renters were in attendance, most of whom were primarily Spanish speakers, and they were joined by two translators and City of Hyattsville staff. Most of the tenants have lived in Hyattsville for at least a decade and have been living in their building for several years.

- When speaking to Tenants about their experience with rent, many described feelings like they were “drowning” because of the increasing cost of rent. Many of the tenants mentioned their households are single-income and they struggle to keep up with rising costs because their wages are not rising.
- Aside from rent, the tenants also expressed frustration over the increasing and unpredictable water bills as well as fees charged by the property owners for blinds, A/C units, bicycles and grills. Of note, several other interviewees believed that property owners may use this type of additional amenity fees as a way to circumvent a rent stabilization policy.
- When asked if they’ve considered moving because of the cost of living, several tenants stated that they are considering moving due to the increasing cost of living. They also expressed frustration over the lack of alternative affordable options in the area. Many stated although they love living in Hyattsville, they were considering moving out of the City itself. Several of the tenants became visibly emotional when describing the stress and anxiety they feel about being able to afford next month’s rent. Tenants also mentioned that fluctuations and unpredictable changes to the cost of living (e.g., rent, water bills, healthcare) make it

difficult to feel stable and plan for the future, let alone save enough to buy a home. To that end, they advocated for a *permanent* rent stabilization policy, as opposed to Prince George's County's temporary policy.

CASA de Maryland

The project team spoke with two representatives of CASA de Maryland given their ongoing advocacy efforts relating to rent stabilization and their role as a service provider and tenant advocate.

- CASA has a deep understanding of the challenges renters face when it comes to finding and staying in affordable rental housing. Their rent stabilization advocacy is informed by a variety of the services they provide, including helping tenants apply for rental assistance, engaging in eviction protection, and mediating negotiations between landlords and tenants relating to the cost of maintenance, fees, and rent.
- As a tenant advocate, CASA mentioned that Hyattsville residents that work with the organization are “happy” to see this legislation moving forward because they currently feel as if landlords can raise rents with unmitigated consequences. They mentioned that residents have seen rents increase by 25-35% or even double. When asked about the motivation to pass a rent stabilization policy, CASA mention housing stability and anti-displacement are at the core of their reasoning. The representatives argued that affordable rental housing in Hyattsville is inelastic; even when rents increase, there are few to no other affordable options for them to move to in the city, let alone near their building, neighborhood, or community.

Housing Initiative Partnership (HIP)

The project team spoke with two representatives from HIP given their role as an affordable housing developer and a housing provider for lower income families. This dual role of developer and tenant advocate provided a particularly enlightening perspective given the tensions that exist between the two when it comes to rent stabilization.

- Representatives from HIP expressed even rent increases that may be seen as reasonable are too much for some tenants right now given broader inflation.
- In their observation, the recent rapid increase in rents that some tenants have experienced is due to multiple factors that have contributed to a pent-up demand for rental income. This increase could be temporary because landlords were correcting for years of lost or reduced revenues due to a combination of rent freezes, inflation, the County's temporary rent stabilization bill, increasing overhead for property management staff, and increased maintenance costs.
- They also mentioned they would hope for a carve-out for tax credit projects within rent stabilization policies because the transactions are complicated/challenging to pull off already. They try to keep rent increases minimal (around 3%) because they are mission driven, but point to increasing operating costs, especially insurance.

Multifamily Property Owners & Managers

The project team invited nearly 30 property managers and property owners who were associated with buildings that may be subject to a city rent stabilization policy (i.e., those with three or more units, at least 15 years old, federally regulated rentals, etc.). Four focus group opportunities were offered to property owners.

- Based on discussions, there was a general belief that rent stabilization may push them to sell. Property owners pointed to increased administrative burdens, as well as higher operational costs (insurance, utilities, labor, etc.) cutting into profit margins already. Property managers also believed that rent stabilization will disincentivize owners to make property improvements (higher operating costs and less ability to increase rents to cover them).
- The project team also asked property owners what terms they would like to see in a rent stabilization policy. When asked what MAARI they would like to see, it was uniformly believed that rent stabilization

needs to be tied to CPI versus a flat percentage. Additionally, property owners recommended aligning building age exemption with financing timelines, mentioning that exemptions should fall closer to a 30-year mortgage payoff timeline.

Market-Rate Developers

The project team invited three market-rate developers to participate in an interview and two agreed. The developers invited have a history of working in Hyattsville and other jurisdictions where their properties may soon be, subject to rent stabilization policies.

- There was a strong emphasis on stability and predictability, particularly as it is perceived by lenders and private equity firms. Developers placed importance on the way lenders see rent stabilization's impact on their business and anticipate that they will choose to invest in "business-friendly jurisdictions" like Arlington instead if rent stabilization is passed.
- During the discussion, it was also noted that housing supply constraints and rent increases on "legacy affordable" units during the pandemic have led to price increases. They mentioned easing path to new construction (aided by funds like Amazon's Housing Equity Fund) as critical for affordability in the region. One developer stated, "If there's not a significant housing pipeline, rent control is meaningless."
- The developers spoken to shared many of the same sentiments as property managers when asked about potential components on a rent stabilization policy. Overall, they mentioned they would prefer a 12% cap on rent increases as opposed to what is currently being proposed. They also urged that exemption periods go beyond 15 years and track closer to a 30-year mortgage. They mentioned Montgomery County's 23-year exemption being a good cutoff.

City of Hyattsville Elected Leaders

The project team spoke with Mayor Robert Croslin, Council President Joseph Solomon, Council Vice President Joanne Waszczak, and Councilmember Danny Schaible. The mayor was interviewed individually, and the councilmembers were interviewed as a group.

- There is strong political will to pass a rent stabilization policy. The mayor and city council members are aware that their constituents are finding it increasingly difficult to afford rent in Hyattsville, including hearing from some who saw rent increases of as much as 70% from one year to the next. As one of the fastest growing cities in Maryland, city leadership is seeking to combat displacement caused by rising rents while also ensuring that Hyattsville is an inclusive city with affordable rental opportunities.
- The mayor and the city council members are very familiar with rent stabilization as a policy and there have been a variety of initiatives and meetings held by the city's elected leaders over the last several years with the goals of: (1) educating themselves about policy design, (2) understanding what implications a rent stabilization policy may have on the city for renters, landlords, and the City; and (3) to educate relevant stakeholders and dispel misconceptions about rent stabilization policies.
- The councilmembers expressed a preference to adhering to the policy elements described in HCC-324-FY23. In particular, the councilmembers expressed a preference for attaching the MAARI to the Washington, D.C. area CPI-U and exempting buildings no less than 15 years old.
- Some elected leaders expressed apprehension about how a rent stabilization policy could impact property values, tax revenue, and the development pipeline, but they unanimously believed that the benefits of a rent stabilization policy outweigh those costs.
- There was concern about if the new housing manager will have the bandwidth to administer a rent stabilization policy while also developing and administering a variety of other city-led housing initiatives.

City Staff (Takoma Park)

The City of Takoma Park has one of the longest running rent stabilization policies in the region. The City's staff was able to provide a unique perspective regarding program administration for an existing rent stabilization policy.

- Takoma Park faces challenges with the administrative burden of processing hundreds of applications in a month to ensure compliance. Staff also encouraged other jurisdictions to think about data collection and processing and ensuring that there is a robust digital system in place for this, ideally prior to rollout. They also mentioned internal processes, particularly for compliance and remediation, are needed. They expressed they sometimes feel as though they are creating policy in real time while trying to answer questions.
- A significant amount of staff time is required to operate Takoma Park's program. There are currently two staff members dedicated to the program and they support 1,600 rental units. The staff that directly administers the rent stabilization program spends roughly 75% on administering the program, while the Housing Manager spends about 20% of their time on administering the program. Takoma park staff recommends hiring someone with a compliance background, someone who has prior experience overseeing LIHTC or HOME programs would also be well positioned for this work.
- Mentioned some landlords evaded rent increases with new or illegal fees to recoup lost revenue and are unsure they have found the right balance with new rules that restrict those fees. In relation to this, staff also mentioned that they end up making policy based on actions from the "worst landlords", which is not ideal because it makes things more administratively burdensome for all parties involved.
- Hardship petitions have been complicated to implement because they require a lot of data to prove and administrative time; often see petitioners that have overextended themselves. This is particularly the case when calculating the rent reserve needed. Takoma Park staff mentioned that large developers typically have a good sense of what a rent reserve needs to be, but it can get complicated for smaller landlords.
- Takoma Park staff mentioned it is critical to have a strong communications team to deliver information for rollout. This will be critical to getting landlords trained, developing FAQs, etc. Staff also mentioned that information should be accessible online.

City Staff (Hyattsville)

A variety of City staff who may play a role in rent stabilization implementation, administration, communication, and education were invited to participate in a focus group. The purpose of the focus group was to learn their perspectives on the administrative needs and technical skills required to operationalize a rent stabilization policy. The following section is broken down by department, but there are two overarching takeaways observed from the City Staff focus group that are worth highlighting:

- City staff currently has limited additional capacity to administer a rent stabilization policy. The new housing manager could help expand the city's bandwidth, but a rent stabilization policy would likely take up a considerable amount of this person's time (as noted in the Takoma Park city staff interview).
- For a rent stabilization program to succeed, the City will need to engage in a concerted outreach and education effort to ensure that tenants are aware of their rights and landlords are aware of their new obligations and responsibilities.

Permits & Licensing Department

- Staff is aware that additional time, skills, and systems will need to be in place to administer a rent stabilization program.
- Currently, staff have a good understanding of where multifamily buildings are located, the number of units, and contacts; this is essential for effective communication with existing property owners of buildings that are subject to rent stabilization.

Code Compliance Department

- Added administrative and enforcement needs of a rent stabilization policy may impact the staff's ability to keep up with the existing rental inspection cadence.
- It is believed that Mt. Rainier's rent stabilization policy was put in place without fully considering the administrative burden on city staff, which has led to a confusing and somewhat unenforceable rollout.

Communications Department

- Staff recognize that community outreach and messaging, both for affected renters and landlords, will be highly important for success.
- As a sanctuary city, particular attention should be paid to educating refugees about their rights and protections so that they feel comfortable with a rent stabilization policy.



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Rent Stabilization

Effects on Housing Markets and Lessons for Policy Design and Implementation



Christina Stacy (cstacy@urban.org)

What is rent stabilization?

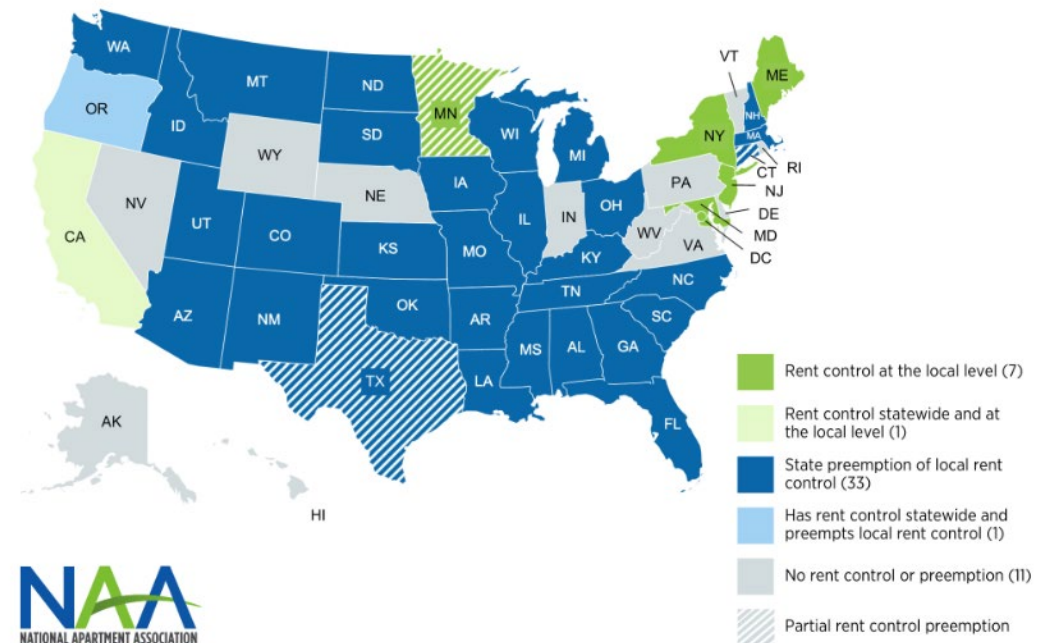
- Rent control and rent stabilization are loose terms used to cover a spectrum of rent regulations
 - First implemented in the United States during World War II as a hard ceiling on rents (generally referred to as **rent control**)
 - Evolved into a less stringent and more nuanced regulatory scheme (generally referred to as **rent stabilization**)
 - Modern rent stabilization generally involves a **cap on annual rent** increases along with a **set of accompanying regulations** such as vacancy decontrol, condominium conversion regulations, hardship clauses, and exemptions based on building type and age

The **current state** of rent stabilization

As of 2022, over 200 local governments had a rent stabilization policy in place

- Seven states and the District of Columbia have localities in which some form of residential rent stabilization is in effect (California, New York, New Jersey, Maryland, Maine, Oregon and Minnesota)
- One state has statewide rent stabilization
- One state has statewide rent stabilization but preempts it locally
- Thirty-three states preempt rent stabilization

Rent Control Laws by State



Source: National Apartment Association

Previous research on rent control/stabilization

Rent stabilization is almost always found to **decrease rents for tenants in controlled units**

- In cities throughout the country — New York City, San Francisco, Berkeley, Los Angeles, Boston, and others — empirical studies show that rent stabilization lowers rent and decreases housing turnover for tenants in controlled units.

- Gyourko and Linneman 1989; Diamond, McQuade, and Qian 2018; Heskin, Levine, and Garrett 2000; Sims 2007

- Some studies have also found that rent stabilization may protect controlled tenants from displacement in gentrifying neighborhoods.

- Diamond, McQuade, and Qian 2018; Autor, Palmer, and Pathak 2014; Heskin, Levine, and Garrett 2000

- It may also improve economic mobility for tenants and generate small benefits for some children that grow up in rent stabilized units

- Gross 2020

However, these benefits to controlled tenants may be offset by **negative effects in the uncontrolled sector**

- Some studies find that the implementation of rent regulation decreases the existing rental supply (through condo conversions and/or reductions in new construction)
 - Heskin, Levine, and Garrett (2000), Diamond, McQuade, and Qian (2019), and Asquith (2019), Stacy et al. (2025)
- While others find no significant effect or mixed effects on the quantity of rental housing stock or construction
 - Goetz (1995), Gilderbloom and Markahm (1996), Glaeser (2002), Gilderbloom and Ye (2007), Sims (2007), Gaffney (2021), Jofre-Monseny, Martinez-Mazza, and Segu (2023), and Ambrosious et al. (2015)

Rent stabilization regulations vary greatly in their design from city to city, so impacts in one city may differ from those in another based on the design of the policy.

And, rent stabilization has been shown to have **mixed impacts on economic mobility and unemployment**

- Rent stabilization can improve economic mobility for those who receive it while also creating negative spillover effects for those that do not but live in cities with rent stabilization policies.
 - This finding is based on an analysis of rent stabilization policies passed in the 1970s and early 1980s in New Jersey, California, and Massachusetts.
 - Gross 2020
- Recent research shows that rent stabilization in New York City increases tenants' probability of unemployment.
 - Jiang, Quintero, and Yang 2025

Critics also question whether the benefits of rent stabilization reach the **people who need it most**

- Some argue that its lack of targeting makes rent stabilization inefficient and provides subsidies for tenants who do not necessarily need them.

“You could have a doctor and their partner making \$300,000 a year benefiting from the lower rent and caps, whereas someone making minimum wage is forced into a more expensive unit. It doesn’t truly ensure low-income renters are the beneficiaries.”

- On the other hand, tenant advocates and other researchers believe its broad application is essential to rent stabilization’s strengths.

“Everybody needs low-cost housing if you want a better society... We want to make housing less of a commodity and more of a community asset, or we’re not going to have stable communities.”

“[Inclusionary zoning] is very heavily means-tested, but that has created so many procedural hurdles that make it difficult for people to access housing. I think [the lack of means testing] is a strength of rent control because there aren’t these procedural hurdles or the hurdles of discrimination, having to provide documentation—it’s just a normal person trying to find housing.”

There is also some evidence that rent stabilization may lead to **quality deterioration**

- One study found that rent stabilization led to deterioration in the quality of rental units, but these effects appear to have been concentrated in smaller items of physical damage.
 - Sims 2007
- Another found some support for the belief that rent stabilization leads to a deterioration in housing quality but that further research is needed to confirm
 - Moon and Stotsky 1993
- Yet another found that New York City's rent stabilization had a large deleterious impact on rental structure quality, particularly in smaller buildings.
 - Gyorko and Linneman 1988

Components of rent stabilization policies may also encourage landlords to **displace current tenants** or select tenants who are more mobile and have higher incomes

- Vacancy decontrol allows landlords to raise rents to market rate or exclude units from regulation after a vacancy.
- Studies have shown that cities with vacancy control (where rent stabilization remains in place at the same level even after a tenant is replaced) experienced an increase in their share of Black and Latinx renters and were generally more affordable to low-income households. Conversely, jurisdictions with vacancy decontrol were less affordable and disproportionately displaced Black renters.

■ Heskin, Levine, and Garrett 2007

In our recent study, we examine rent stabilization reforms across the US

- **Methods:** We generate the first cross-city panel dataset of rent stabilization reforms across the US by using machine learning algorithms to collect reform data from newspaper articles, then use two-way fixed effects model with place specific time trends and staggered treatment designs to estimate their impact on the supply of housing across affordability levels.

We find that rent stabilization, on average:

reduces the overall supply of housing by 10%



but

increases the number of units affordable to extremely low-income households



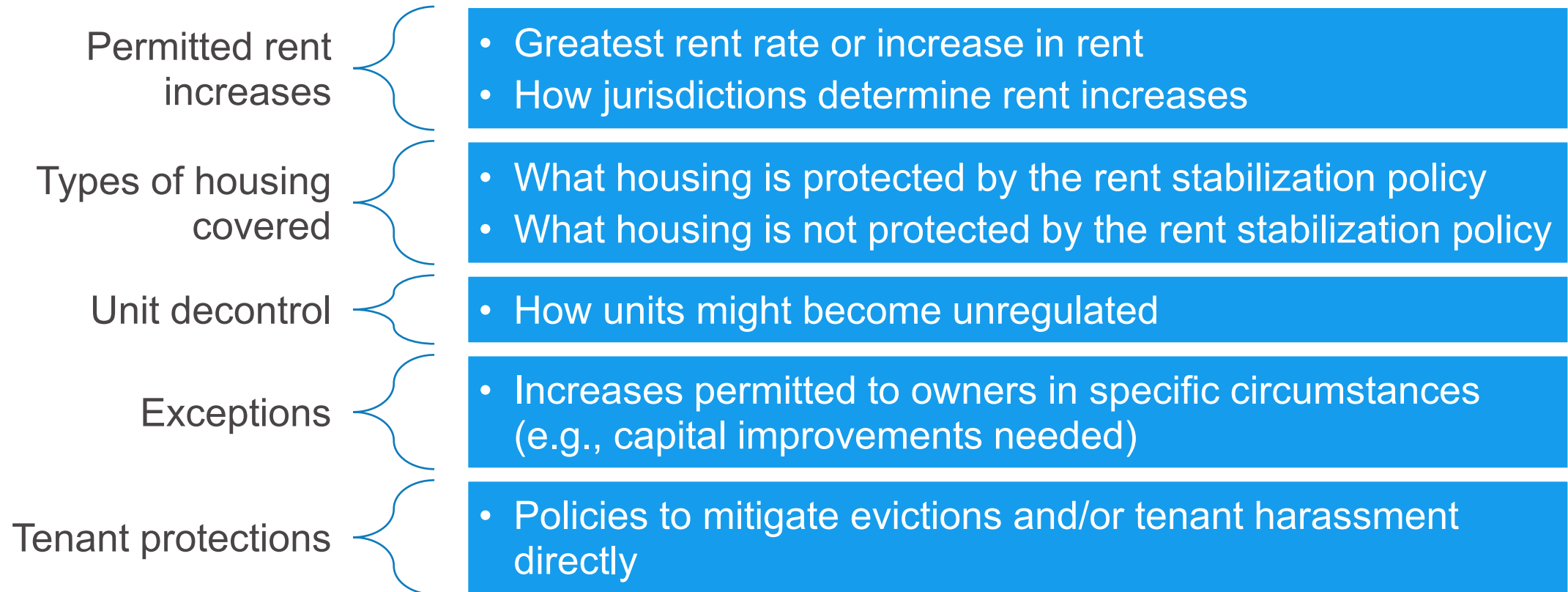
Arcsin of rental units affordable at:

	Arcsin of Total Rental Units	0-30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	100-120% AMI	>120% AMI
Post-Implementation	-0.099* (0.039)	0.421** (0.158)	-0.144 (0.156)	-0.031 (0.127)	-0.026 (0.158)	-0.076 (0.191)	-0.380* (0.176)
Implementation Period	-0.048 (0.028)	0.090 (0.093)	0.030 (0.093)	0.155 (0.093)	0.224* (0.096)	0.134 (0.123)	-0.146 (0.122)
N	53,500	53,500	53,500	53,500	53,500	53,500	53,500
adj. R-sq	0.980	0.847	0.872	0.921	0.878	0.830	0.819

Source: Stacy, Christina Plerhoples and Hodge, Timothy and Komarek, Timothy M. and Davis, Christopher and Stern, Alena and Noble, Owen and Morales-Burnett, Jorge and Rogin, Amy, Rent Control and the Supply of Affordable Housing. Available at SSRN: <https://ssrn.com/abstract=4904928> or <http://dx.doi.org/10.2139/ssrn.4904928>

Rent Stabilization's Impact Depends on Policy Design and Implementation

Major rent stabilization policy components



Source: Prince George's County Rent Stabilization Study conducted by Enterprise Community Partners and Urban Institute

Permitted Rent Increases

- Often include:
 - A baseline factor, usually tied to inflation, such as the Consumer Price Index
 - An escalator, to account for increases in operating expenses that may increase faster than inflation, such as 3%
 - A cap, to ensure that the maximum never exceeds a high rate, such as 6%

Example (Montgomery County and Prince George's County):

Permitted rent increase = CPI + 3%, not to exceed 6%

(Takoma Park's is CPI alone for the entire region)

Types of Housing Covered

- Building age
 - Some do it based on a date, like 1975 in DC, or based on a rolling age, such as 15 to 20 years (ie, units are subject to rentstabilizationafter 15 or 20 years)\
- Affordability covenants
 - Most localities exempt units with affordability covenants
- Size of the property
 - Many jurisdictions exempt small properties, such as those with fewer than 4 units (Oakland, CA). Takoma Park only exempts single family homes, ADUs, and duplexes where one of the units is occupied by the owner
- Size of the owner's portfolio
 - Some modern policies exempt units based on the size of the owner's portfolio, rather than the building size. This can take into consideration that smaller landlords to not have the same economies of scale as large landlords and have smaller reserves.

Exceptions

- Fair return
 - To comply with the Takings Clause of the Fifth Amendment to the U.S. Constitution, jurisdictions must adopt policies that ensure landlords or property owners are guaranteed a fair return. Jurisdictions use a variety of methods for determining this, from guaranteeing a 12 percent rate of return (DC) to examining their net operating income, adjusted for inflation, over time.
- Significant capital improvements and substantial renovations
 - To encourage maintenance and upkeep.
 - Oftentimes, cities allow a unit to be exempt from rent stabilization after one of these actions, but this can create a mis incentive to flip a unit in order to get out of rent stabilization. Instead, increasing the allowable increase after a substantial renovation rather than removing it entirely might be the best option.
 - Often set some sort of requirement for the renovation, such as 40% of the value of the building (Montgomery County) or 75% of the systems must have been replaced and the building must have been in a substandard condition to begin with (State of NY)

Unit Decontrol

- Unit decontrol, or vacancy decontrol, refers to when landlords are allowed to increase rents beyond the allowable increase when a tenant moves out and a new one moves in
 - Many places allow rents to pop up to market level
 - Others have taken on a partial decontrol approach, whereby landlords can increase rent beyond the allowable increase to some extent, but not up to full market rent
- Decontrol is meant to account for the fact that turnover can be costly
 - However, it can incentivize landlords to either select tenants who are more mobile (like college students) over ones that might stay longer (like families), and/or it might incentivize landlords to evict (either formally or informally) tenants in order to pop up the rent

Rent banking

- Rent banking allows landlords to defer allowable rent increases and apply them in future years.
 - Some jurisdictions cap the percentage that can be banked; others place no limits.
 - Policies vary: some allow banking only between tenants, others between leases with the same tenant.
- Pros: Can improve housing stability by discouraging frequent rent hikes; helps landlords manage operating cost spikes.
- Cons: May result in large, unpredictable rent increases for tenants or incentivize tenant turnover to trigger banked increases.

Limiting condominium conversions

- Studies show that rent stabilization policies can encourage landlords/property owners to convert their properties to individually owned condominiums.
 - In response, some jurisdictions place limitations on the number of units that can be converted to condominiums.
 - San Francisco limits condominium conversions to 250 annually
 - Mountain View, California, prevents condominium conversions until the city has a certain number of apartments in the housing stock.
 - Cambridge, Massachusetts, requires conversion applications to be submitted three years ahead of time.
 - San Jose, California, makes it such that selling a property does not trigger any change in rent control, and demolition is the only way a landlord can remove a property.

Tenant protections

- Companion tenant protections can help prevent some of the mis incentives created by rent stabilization (such as eviction)
- Common tenant protections that are enacted in tandem with rent stabilization
 - Anti-retaliation/harassment clauses
 - Just cause eviction ordinances
 - Right to appeal exceptions and exemptions

Implementation/ Outreach and education

- Enforcement can vary from proactively enforced (which can be more resource intensive but increase equity and compliance) to placing the burden completely in the hands of the tenant (which can place vulnerable tenants in a precarious position if they fear retaliation from their landlord)



Rent Stabilization in the DC region

Jurisdiction	Permitted rent increases	Exemptions	Unit Decontrol	Exceptions	Tenant protections
Montgomery County	CPI-U+3% Cap: 6%	-23 year new construction exemption -Accessory apartments -Duplexes (one unit owner occupied) -People with 2 or fewer rental units -A unit subject to an affordability regulatory agreement with a governmental agency	-Banking of rent increases up to 10% and applying them to new leases	-Fair return -Significant capital improvements -Substantial renovations	-Anti-harassment clause
Prince George's County	CPI-U+3% Cap: 6%	-Built after 1999 -Duplexes (one unit owner occupied) -Health facilities, temporary shelters, owner occupied group homes, religious facilities, hotels/motels, dorms, assisted living, -Accessory apartments -Units with an affordability agreement -People with 5 or fewer rental units in county -county resident's condo -coop	-Banking of rent	-Fair return -Significant capital improvements -Substantial renovations	-Anti-harassment clause
Washington, DC	CPI-W+2%	-People with 4 or fewer rental units -Built after 1975 -Federally or District-subsidized affordable housing	-Partial vacancy decontrol	-Fair return -Significant capital improvements -Substantial renovations	-Right to appeal
Takoma Park	CPI-U	-5-year new construction exemption -Single family houses -Accessory apartments -Duplexes (one unit owner occupied) -Units occupied by tenants with tenant-based rental assistance -Rental developments where at least half of units are income restricted	-Partial vacancy decontrol	-Fair return (with significant capital improvements and substantial renovations rolled up into fair return)	-Right to appeal -Anti-harassment clause

Conclusion

Rent stabilization regulations must be designed with balance in mind



Thanks!
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