Memorandum

Subject: CASA's Comments on the City of Hyattsville's Rent Stabilization Ordinance

October 9, 2024

CASA members—thousands of whom live in the City of Hyattsville—experience severe housing instability and unpredictability. The high cost of housing burdens thousands of renters, including countless CASA members in Hyattsville, forcing them to work multiple jobs and excessively long hours to make ends meet. While we support multiple remedies to keep housing affordable and curb evictions, nothing offers rent stabilization's immediate, widespread, and sustainable impact.

Rent stabilization is crucial for stabilizing some of our most vulnerable populations, particularly children and seniors. For school-age children, frequent relocations due to unaffordable rent cause significant disruptions to their education and academic progress, leading to long-term negative effects on their development and future success. For seniors, rent stabilization enables them to age in place, providing consistent access to services and community support, all essential to maintaining their health and well-being.

CASA is proud to support the City of Hyattsville's rent stabilization ordinance, which is crucial in ensuring housing stability for our community. We want to thank the Hyattsville Mayor and City Council for introducing this important ordinance. CASA members fought tirelessly in Prince George's County to pass a permanent rent stabilization bill this past summer, and we are proud to support Hyattsville's ordinance that takes the county's legislation further by addressing weaknesses in the County law.

Several elements of the ordinance, as introduced, are commendable and align with our objectives. These include linking rent increases to the Consumer Price Index (CPI) and adopting a rolling exemption for new buildings, which protects more rental units and provides greater predictability for tenants. We would like to express our strong support

for the ordinance as currently written. However, we highlight several key areas that, if addressed, could further enhance the intention of stabilizing renters in the City of Hyattsville.

CASA's Comments on Amendments

1. <u>Amend: Set a Rental Cap</u>

The City of Hyattsville's draft ordinance effectively ties rent increases to the Consumer Price Index (CPI), which is a commendable approach that promotes stability for tenants. However, there are risks associated with relying solely on the CPI, particularly during periods of rapid inflation that could lead to significant rent increases. To safeguard against this volatility, we recommend maintaining the rent adjustments to CPI while also implementing a rental cap. We recommend an amendment capping the allowable rent increase at 6% following Montgomery and Prince George's Counties. By doing so, we can ensure that rent remains affordable and predictable even in challenging economic conditions, protecting our most vulnerable residents from the impact of sudden spikes in living costs.

2. <u>Clarify: Substantial Renovation Increases</u>

The City's substantial renovation language is commendable in that it contemplates a possible reduction in rent increases where a unit size is reduced through renovation. However, in those cases where renovation increases square footage of the unit, substantially minor repairs that fail to impact the value of the property could result in substantial rent increases. Both Montgomery and Prince George's County, on the other hand, utilize a cliff model which takes a property out of the stabilization cap if its value is improved by 40%. It appears to us that the City's proposal may result in a less desirable structure allowing more frequent and high rent increases. In addition, the City's proposal lacks language we consider critical which would outlaw rent increases for improvements designed to address warranty of habitability issues or code violations.

We look forward to collaborating with the City of Hyattsville to ensure the best possible outcomes for our community. Thank you for considering our comments and recommendations.