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**Testimony of Eliana Golding, Policy Analyst**  
**At the Public Hearing on Bill B23-0873 – “Rent Stabilization Program Reform and Expansion Amendment Act of 2020”**  
**DC Council Committee on Housing and Neighborhood Revitalization**  
**November 9, 2020**

Chairperson Bonds and other members of the committee, thank you for the opportunity to testify today. My name is Eliana Golding, and I am a policy analyst at the DC Fiscal Policy Institute. DCFPI is a nonprofit organization that promotes budget choices to reduce DC’s economic and racial inequities and build widespread prosperity in the District of Columbia, through independent research and policy recommendations.

DCFPI joins the other members of the Reclaim Rent Control Coalition in thanking you for scheduling a hearing on the Omnibus Rent Stabilization Program Reform and Expansion Amendment Act of 2020. The District badly needs to update, expand, and strengthen its rent control laws, and we must do that in a *comprehensive*, not piecemeal, way.

The Council should pass this omnibus bill to close loopholes that undermine the law, enact comprehensive petition reform, maintain affordability within existing rent-controlled housing, and significantly expand rent control eligibility. Other members of the Coalition will focus on the importance of reigning in abuses of rent control provisions, such as voluntary agreements, which undermine the limited reach of DC’s rent control. They will also cover the need to maintain affordability through petition reform and the elimination of drastic “vacancy increases,” which incentivize landlords to turn over tenants rapidly. I will focus my testimony on the importance of expanding the supply of rent-controlled housing in the District.

The Council should expand rent control by:

- extending eligibility to cover properties built before 2005;
- pegging eligibility to a dynamic date so that new buildings are subject to rent control after 15 years; and,
- expanding eligibility to owners of four units, who are currently exempt.

These measures will protect the District’s low- and moderate-income tenants from the ever-growing displacement pressures of DC’s highly competitive housing market.

**Strengthened and Expanded Rent Control is a Matter of Racial and Economic Justice**

Even before the recession left tens of thousands of District residents without a consistent or adequate income, DC was facing a housing affordability crisis. The pandemic has exposed how the precariousness of the economy can harm low- and moderate-income tenants. In mid-October, an estimated 34,000 DC adults who lived in rental housing—12 percent—were behind on rent.<sup>i</sup> Nationally, nearly 26 percent of Black households and 18 percent of Latinx households surveyed were behind on rent whereas only 10 percent of

white households were behind.<sup>i</sup> The recession is disproportionately undermining the economic stability of the District's Black, brown, and immigrant households—the same groups that have been displaced by the District's rising housing prices for decades. The bill under consideration would help disrupt displacement and evictions in the long term by keeping housing prices more affordable.

### **Expanding a strong rent control policy will stabilize the District's neighborhoods**

The District's current rent control laws are outdated and insufficient, no longer adequately protecting tenants from rapidly rising rents. Every year, the reach of rent control shrinks even further because the current policy exempts all buildings built in the last 44 years. Without expanding eligibility, the number of homes covered under the law, and the stabilizing effect of rent control, will continue to quickly diminish as rent-controlled buildings are demolished or allowed to become market rate. Council should substantially increase the number of units covered under rent control to stabilize the cost of housing for the District's tenants and lessen the mounting displacement pressures in DC's neighborhoods. Extending eligibility to four-unit buildings would cover, by some estimates, between nine and 10,000 buildings.

A greatly increased supply of rent controlled housing will not only stabilize rents in buildings newly covered under the policy, but it will also stabilize the cost of housing at the neighborhood and District level. A 2014 study of the impacts of the elimination of rent control in Cambridge, Massachusetts showed that the decontrol “generated substantial, robust price appreciation in decontrolled units and nearby never-controlled units.”<sup>iii</sup> Put another way, rent control has a strong stabilizing effect both on units that are covered by the policy, and on nearby units that were never covered. The effect is even stronger in neighborhoods with a larger fraction of rent-controlled units.

A 2019 study of the expansion of rent control in San Francisco showed that rent control keeps tenants in their homes. Specifically, the study found that, on average, “beneficiaries of rent control are between 10 and 20% more likely to remain at their [address]” and more likely to remain in San Francisco as compared with the control group.<sup>iv</sup> Strong rent control keeps people in their homes and stabilizes communities.<sup>v</sup>

The Council has the opportunity and the responsibility to protect tenants and prevent ongoing waves of displacement as a result of rising rents. Rent control is a common-sense policy that, if strengthened and expanded, will ensure that DC residents have increased access to affordable housing while maintaining overall housing stability throughout the District. The urgency of this moment calls for enduring policies that contribute to both household and community stability while slowing gentrification. Now is the time to enact comprehensive rent control reform that would strengthen and expand this important set of policies and stabilize the District's families and strengthen our communities.

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<sup>i</sup> Household Pulse Survey for September 30-October 26, United States Census Bureau, Updated November 4, 2020.

<sup>ii</sup> “Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships,” Center on Budget and Policy Priorities. November 5, 2020.

<sup>iii</sup> David Autor, Christopher Palmer and Parag Pathak, “Housing Market Spillovers: Evidence from the End of Rent Control in Cambridge, Massachusetts.” *Journal of Political Economy*, 2014.

<sup>iv</sup> Rebecca Diamond, Tim McQuade and Franklin Qian, “The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco.” *American Economic Review*, September 2019.

<sup>v</sup> Jason Richardson, Bruce Mitchell, and Juan Franco, “Shifting Neighborhoods: Gentrification and Cultural Displacement in American Cities.” National Community Reinvestment Coalition. March 19, 2019.