

## **STATEMENT in SUPPORT of RENT STABILIZATION – BILL 16-23**

Dear Council President Glass, Vice President Friedson, and members of the County Council,

Our Revolution Montgomery County, an affiliate chapter of Our Revolution Maryland, strongly supports passage of the Housing Opportunity, Mobility, and Equity Act, known by its acronym as the HOME Act.

Our organization was conceived as a national effort, directed largely by local members, most of us coming together as supporters of Bernie Sanders' first Presidential campaign. We have focused on local political campaigns, supporting candidates committed to promoting the progressive agenda. That includes addressing the climate crisis, and a range of ideas like universal health care, all aimed towards creating a more egalitarian society. Locally, we have sought to persuade, endorse and help elect progressives who were open to pursuing police and criminal justice reforms, more progressive taxation, and, perhaps the Holy Grail, real progress on addressing the housing affordability crisis including support for enacting some form of rent stabilization. Finally, we stand on the precipice of realizing this goal.

We also want to acknowledge the County Executive for his lengthy effort to spread countywide the benefits of rent stabilization he witnessed in his Takoma Park community, thanks to decades of experience with rent stabilization.

More than anywhere else in the county, perhaps even anywhere in Maryland, Takoma Park stands out, renowned because of the strength and vibrancy of that community. The commitment to protecting the interests of renters has been an indispensable part of building this legacy community, in all the best ways. Analyses have shown that renters there are, on average, less rent-burdened than renters in other Maryland jurisdictions. This provides security with affordable rents for renters who would not be income eligible for the County's MPDU units, and allows many renters to pay significantly less of their income to rent. That policy has also facilitated a transformation of Takoma Park into a majority minority community, one which is home to many small, local, and culturally diverse businesses.

Because of the severe affordability crisis in the rest of the County, Bill 16-23, would enact a somewhat more stringent rental increase allowance, using either CPI or a cap of 3% if that is lower than CPI. However, the HOME Act addresses concerns about a possible drag on development by exempting any new construction for 10 years, which is twice as long as Takoma Park's exemption.

Most importantly, that 3% is not picked out of thin air. It is the same level set by the Prince George's County Council in rent stabilization legislation enacted there last month. Old-timers here will recall that the County Executive tried to enact a minimum wage increase when he sat on the Council, but met resistance out of concern that an increase would drive investment and economic activity to adjoining counties. As a result, the County Executive forged an agreement among the leadership in Prince George's County, and the District of Columbia, to raise the minimum wage across the region. We now sit in a similar situation. Past concerns that rent stabilization here would shift investment to our neighboring communities no longer seem tenable. We can join Prince George's County in enacting a 3% cap.

The DC rent stabilization law uses CPI as well, capping increases at CPI + 2%, and no more than 10% total, far less than what would be allowed under the competing bill being introduced today. That bill, as it allows an 8% increase above CPI, seems to us to be more of a Price-Gouging Ratification Act than it is any sort of anti-price gouging measure. It would be rent stabilization in name only. We recognize that some compromise may emerge that could gain consensus, but any compromise must embody the main guiding principle of the HOME Act that landlords, without good cause to seek an adjustment under a Fair Return Petition, should not be permitted to exploit the high levels of demand for housing here to engage in profiteering. Landlords have the rights of ownership, but tenants should be able to rely on some reasonable limits on rent increases.

Our County is known as much for its diversity as for its relative wealth and high levels of education. Several of our communities rank among the most diverse in the nation, but we cannot maintain that diversity, or that community, if we allow our residents to be priced out of living here. Nor should we be content to see younger single renters or families become ever more rent-burdened. Even if they are able to remain in our County, they will have much less disposable income to spend here. Renters, neighbors and local businesses will all benefit if we can act now to ensure that renter residents can afford to live where they have chosen to make their home.

We are now lagging behind the District of Columbia and Prince George's County in protecting the interests of the large numbers of residents who need affordable rental housing to stay in the region. We must act to prevent the loss of many of the people who make Montgomery County the vital, incredibly diverse community it is now.

With Our Revolution's record of strong support for working families, and our concern for the pernicious effects of wealth inequality, it should surprise no one that we strongly support the HOME Act. Nor should it surprise the members of the Council that our County's renters will greatly appreciate the greater security that the HOME Act offers. Sometimes the best policy is also good politics. This is one of those moments.

Members of the Council have weighed in strongly to address the housing crisis by moving to facilitate more development, but that is, at best, a very long-range strategy. Residents here now need relief from rapidly escalating prices and rents, if they're going to continue to live in our community.

We urge all of you to support this excellent, well-thought out and deeply needed legislation, and send the HOME Act to the County Executive for his signature. ***We ask the County Council to pass the HOME Act, Bill 16-23.***

*Kat Uy and Ed Fischman (Chairs of Our Revolution Montgomery County)*