



Testimony in SUPPORT of HB1283
Real Property - Residential Leases - Rent Restrictions
House Environment and Transportation Committee

Jonathan Riedel , On Behalf of CASA

March 2, 2021

Dear Chairman Barve, Vice-Chair Stein, and Members of the Committee:

CASA is pleased to provide strong support for HB1283, Real Property – Residential Leases – Rent Restrictions. CASA is the largest immigrant advocacy and services organization in Maryland and the mid-Atlantic region, with a membership of over 100,000 Black and Latino immigrants and working families.

CASA supports this bill because it is the first bill to accomplish meaningful rent stabilization in Maryland. In populous jurisdictions like the DC metropolitan area and Baltimore, where we have thousands of renters, the rents just keep rising. Immigrant families in this area simply cannot afford the rents that are being charged.

There are two primary characteristics about our members when it comes to housing. First, most of our immigrant workers have low incomes and often little economic mobility due to their immigration status. As a result, they are primarily renters. Very few of our members own their own homes, even though it would often be more affordable for them to do so, given that mortgage and property taxes combined are less than the cost of renting in the DC metropolitan area. They generally do not have access to bank loans, federal government assistance, or other programs designed to help working Americans become homeowners. They are less likely to own a car or have access to another reliable source of transportation, so they must live on the transit grid and close to their grocery stores, doctors, and schools. They are already stretched thin.

Our renters are stretched so thin that even in the rental market, multiple adults in the household need to be working in order to pay a single rent. In traditional families, this means both parents must work. In other family arrangements, it means that renters must sublet rooms, sleep in living rooms, rent illegal basements, or live in overcrowded settings. Many of our renters have to rely on their family and friend networks just to get the first month's rent plus a security deposit or ask a friend to co-sign the lease with them even though the friend will not live in the apartment, because their incomes alone do not meet the minimum thresholds.

Second, our members build strong families and deep roots in the places they live. Those with no legal status, quasi-status like DACA, temporary or expired visas, still contribute much to the community. They may legally work and pay taxes. They send their children to local public schools. They attend religious institutions nearby and patronize local businesses. Immigrants

tend to stay near their family, friends, and communities, where people speak their language and understand their culture.

The traditional capitalist theory says that under ordinary market conditions, a person who does not want to pay the advertised rent will simply look elsewhere. But that presumes the flexibility to move somewhere else—usually farther out from the city center—to find affordable rent. Immigrants who rely on their family and community networks and who do not have access to a car or homeownership simply cannot take advantage of this supposed feature of the rental market. As described above, immigrants are less itinerant and less flexible in where they can live. As a result, it is imperative to keep those rents stabilized lest the entire community be destabilized. Doing so will foster more robust communities and economic prosperity to follow.

This is not a rent *control* bill. It does not freeze rents in place, nor does it prohibit rent increases outright. The legislature is free to adjust the percentage by which rents may increase, depending on inflation, the state of the economy, and market conditions. It does not regulate the luxury market nor the subsidized housing market.

We also urge you not to buy into any horror stories about rent stabilization. The evidence shows that in places where rent stabilization protections are strong, there has been no great loss of production and rents still remain high enough to turn extraordinary profits for landlords. For instance, enormous economic hubs in the U.S. that have rent stabilization, like Portland, OR, Washington, D.C., and New York City have *not* suffered the negative effects predicted by opponents of rent stabilization. New York City has had rent stabilization laws since 1969, so this is not even a question of recency. Meanwhile, those cities that have not enacted rent stabilization—including Austin, TX; San Antonio, TX; Denver, CO; and Seattle, WA—have seen their rental prices soar so high that apartments are largely unaffordable even to median-income renters, let alone low-income renters.

CASA is pleased to support this bill because we see great value in keeping our immigrant communities together. As part of that, it is imperative to keep the cost of rental housing at an affordable rate. This bill will help to accomplish that goal.

For the reasons outlined above, CASA urges a favorable report on HB1283.

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