

Agenda
Maryland Senate Judicial Proceedings Committee
Housing Briefing
January 21, 2025
1:00 p.m.

Panelists

Department of Housing and Urban Development

Secretary Jake Day

Panel – Renters United Maryland

Tonia M. Chestnut – Progressive Maryland

Edward Goetz – University of Maryland Hubert H. Humphrey School of Public Affairs

Zafar Shah – Maryland Legal Aid

David Wheaton – NAACP Legal Defense Fund

Ana Argueta

Panel – Maryland Multi Housing Association

Brian Anleu – Apartment & Office Building Association of Metropolitan Washington

Chris Bruch – The Donohoe Companies

Tom Coale – Perry Jacobson

Gabrielle Duvall – Southern Management Companies

Aaron Greenfield – Maryland Multi Housing Association

Arianna Royster – Borger Residential

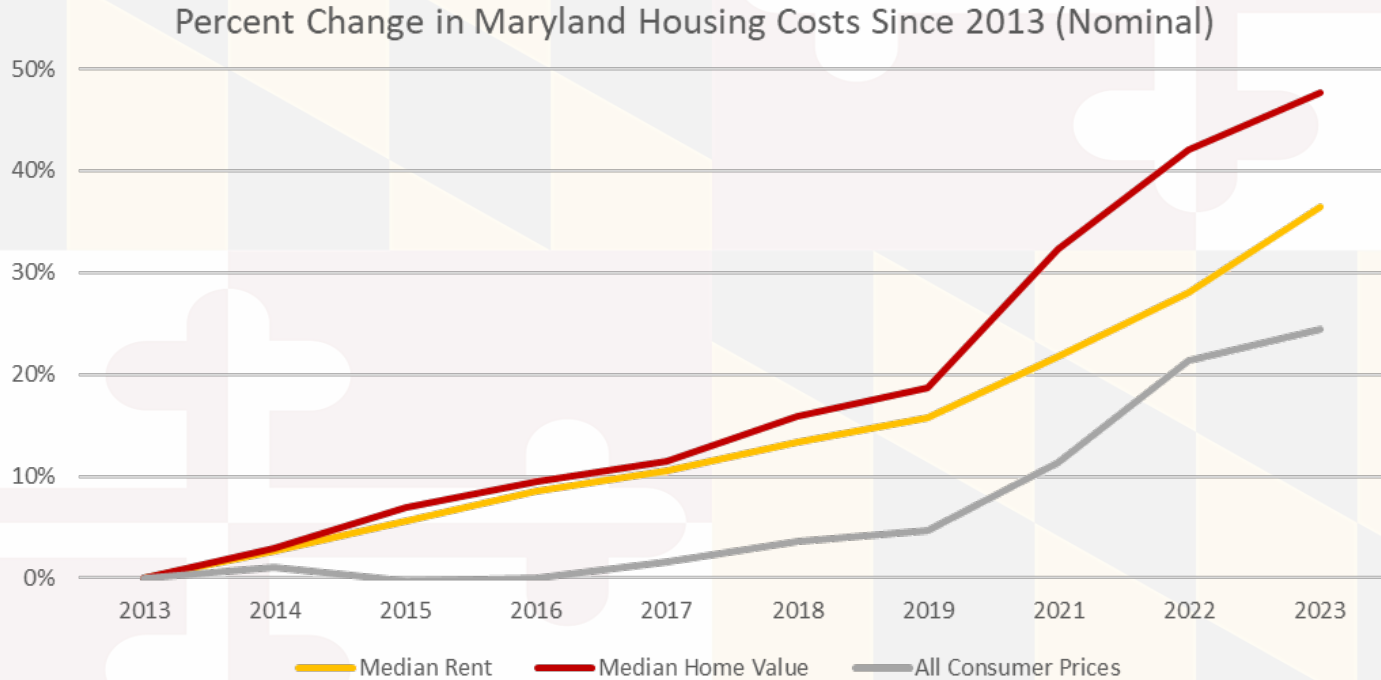


Maryland

State of Maryland's Housing and 2024 Legislation Update



Over the past decade, housing costs have risen faster than inflation



Source: ACS 1-year data table DP04; BLS

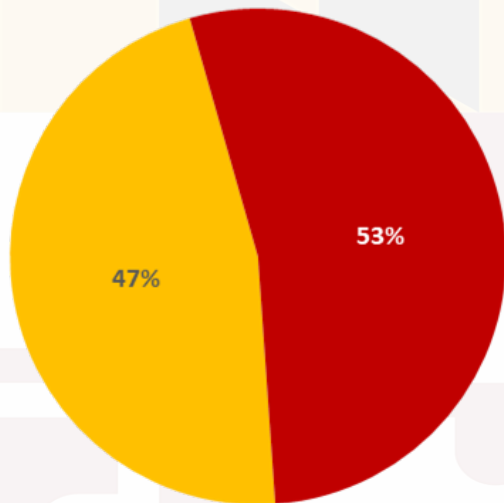
Mortgage borrowing costs remain high, pushing homeownership out of reach for many



Cost Burdens Reach All Time Highs

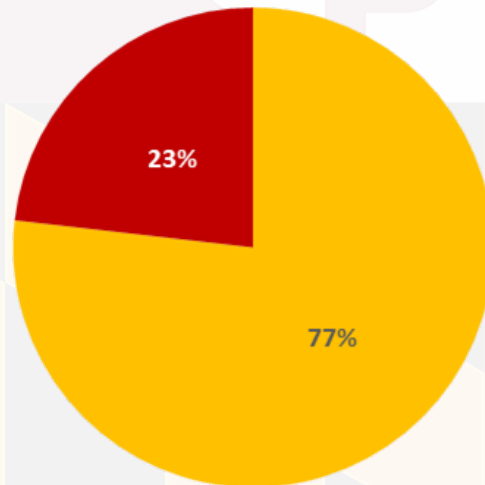
1 in 3 Maryland families are cost burdened by their monthly rent or mortgage payment

More than half of renters are cost burdened



■ Spend less than 30% ■ Spend more than 30%

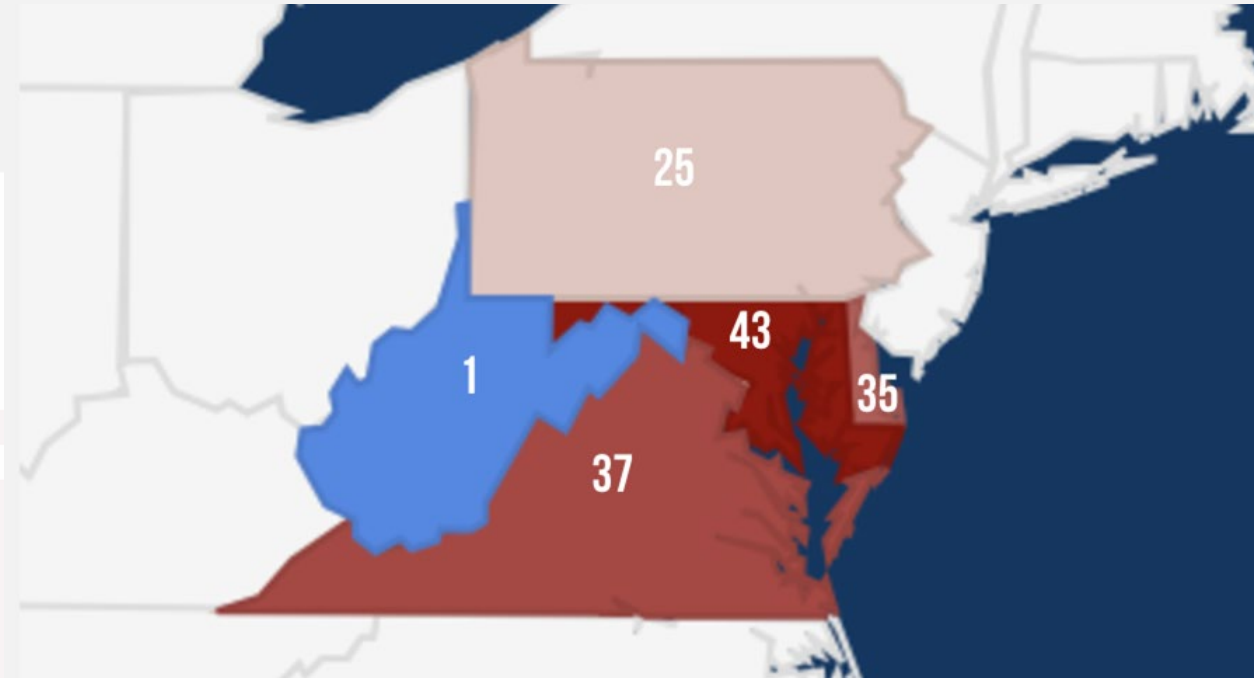
Nearly a quarter of homeowners are cost burdened



■ Spend less than 30% ■ Spend more than 30%

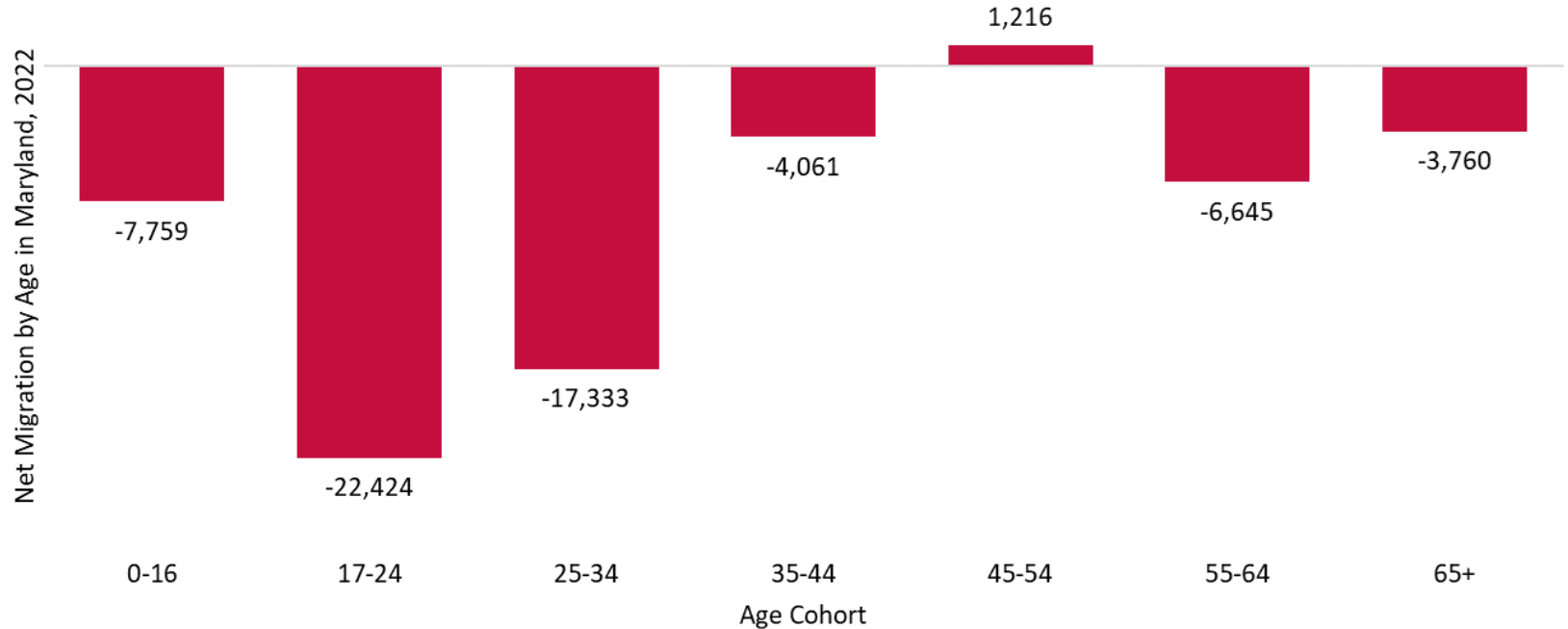
Housing Costs are Driving Young Marylanders out of the State

HOUSING AFFORDABILITY RANKING BY STATE

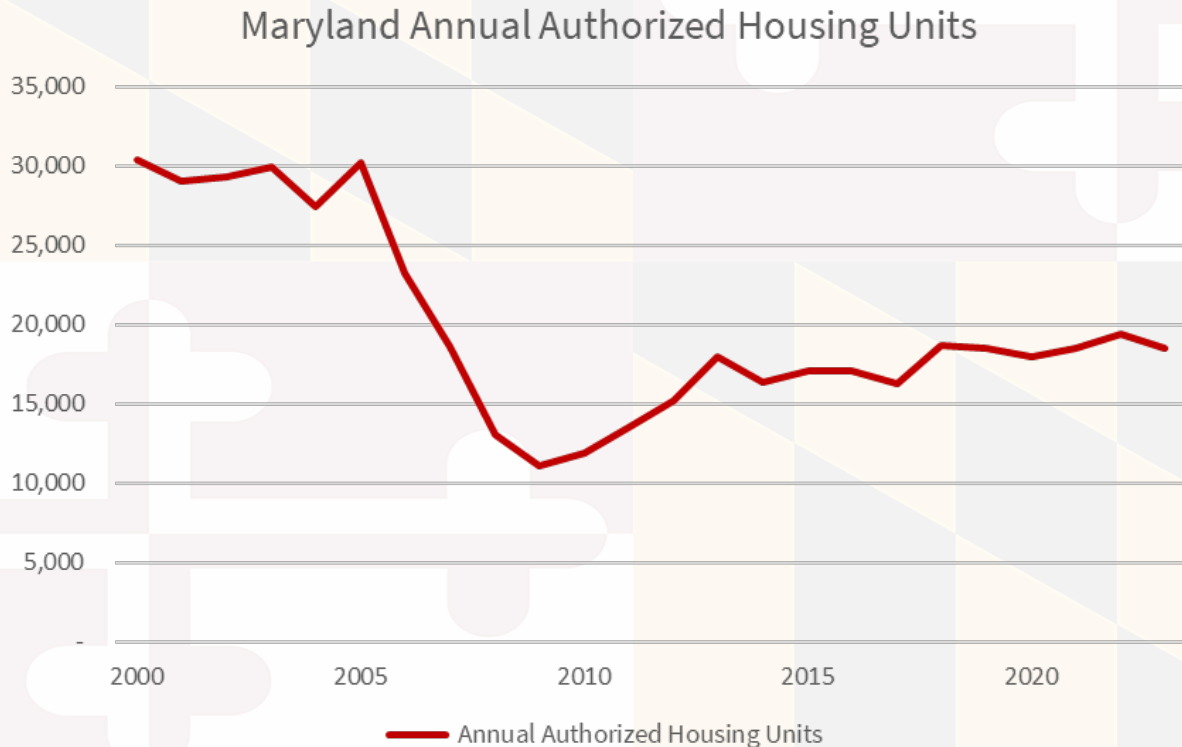


Source: US News

Marylanders 17-34 are driving out migration from Maryland

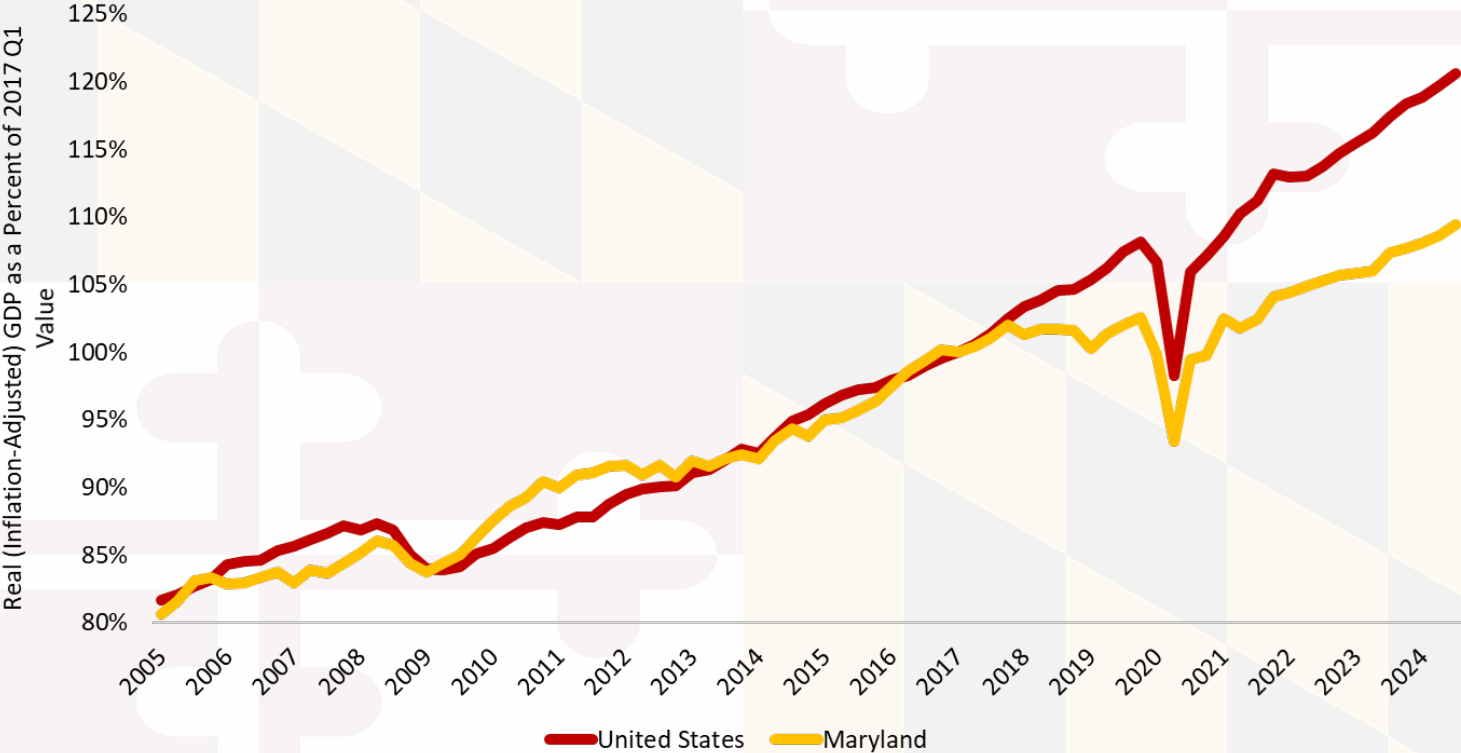


The pace of new housing construction decreased after the 2008 housing recession and never recovered



Housing supply affects our economy and the state's competitiveness

Maryland Real GDP Growth since 2005



Source: MDOL tabulation of Bureau of Economic Analysis data

Only 33 workers are available for every 100 job openings in Maryland

We must increase housing supply, building near transportation and job centers





2024 Marked a Turning Point

The Governor's Housing Package was the most comprehensive housing legislation in decades

- Housing Expansion and Affordability Act
- Housing and Community Development Financing Act
- Renters' Rights and Stabilization Act

Renters' Rights and Stabilization Act (effective October 1)

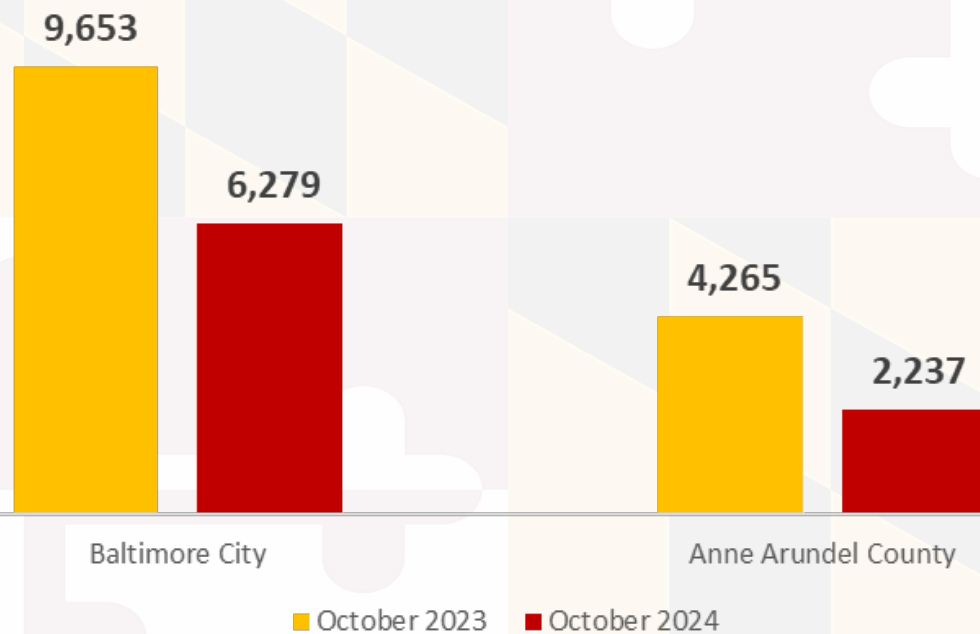
Key provisions of the law in effect:

- Limits security deposits in Maryland
- Eviction filing fee increased from \$15 to \$50
- Tenants first opportunity to purchase
- Developed online portal

Coming soon:

- Staffing Office of Tenant and Landlord Affairs
- Tenant Bill of Rights release

Eviction Filings
Preliminary Data



THANK YOU

Maryland Department of Housing and
Community Development

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Briefing on Housing

Jan. 2025

Senate Judicial Proceedings
Committee

Zafar Shah,
zshah@mdlaborg

Maryland Legal Aid
Advocacy Director for
Human Right to Housing



**MARYLAND
LEGAL AID**

TENANT RIGHT TO COUNSEL PROJECT



Recap of MDGA efforts to protect renters

Review of remaining gaps to fill

State of rental housing

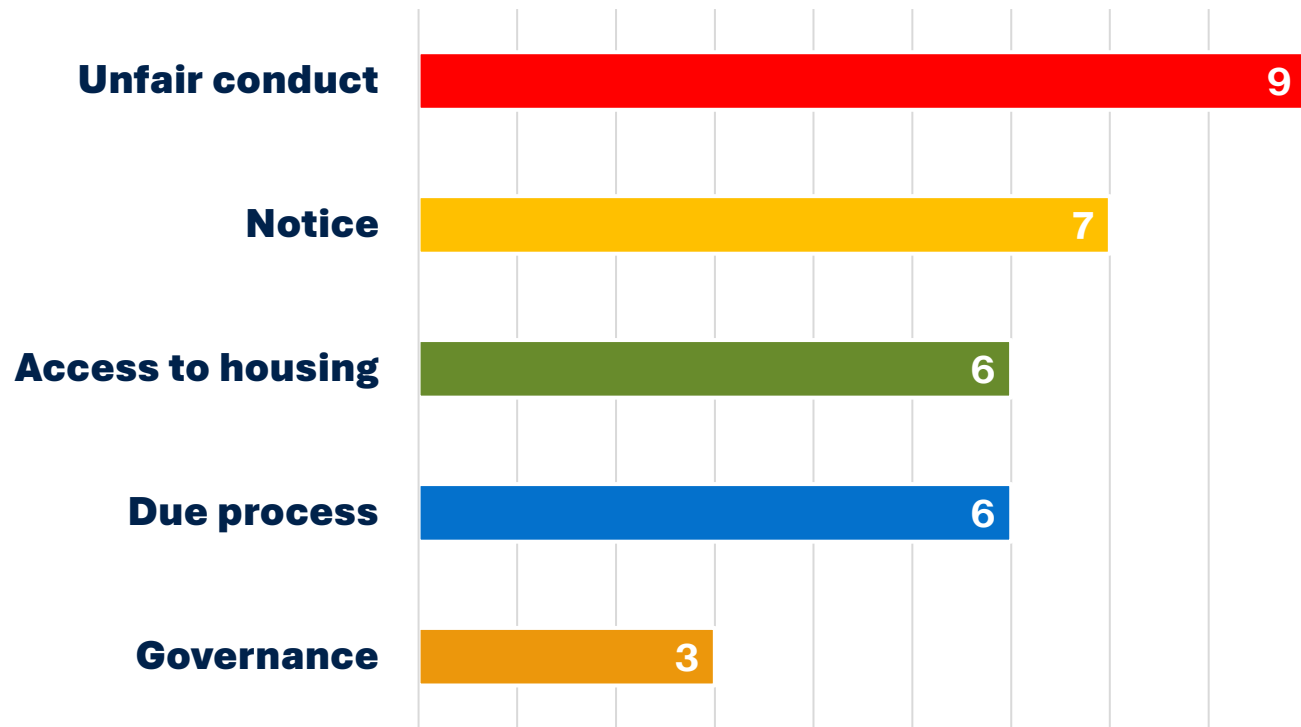
Year	Bill topic	Bill No.
2010	Protecting Tenants in Foreclosures	SB 654
2010	Protections for victims of DV/sexual assault	SB 554
2011	Retaliatory evictions	SB 620
2013	Non-judicial evictions	SB 642
2014	Retaliatory evictions	SB 800

Year	Bill topic	Bill No.
2020	Source of income discrimination	SB 530
2021	Access to Counsel in Evictions	HB0018
2021	Lease non-renewal notice	SB 401
2021	Reusable tenant screening reports	SB 691
2022	Shielding pandemic FTPRs	HB 521
2022	Rental licensing proof	SB 563
2022	ACE funding	SB 662, SB 279
2022	Tenant Protection Act	SB 6
2022	Eviction data	HB 824
2022	Rental assistance stay of eviction	SB 384
2023	Notice of rent increase	HB 151
2023	Rental licensing proof	SB 100
2023	Lead inspection certificate disputes	HB 174
2023	ACE funding	SB 756
2023	Summoning law enforcement	SB 450
2023	Mobile park relocations	HB 23
2023	State voucher program	SB 848
2023	Energy targets for low income housing	HB 169
2024	Renters' Rights & Stabilization	HB 693
2024	Tenant Safety Act	HB1117
2024	Utility billing notice	HB 538
2024	Shielding FTPRs	SB 19
2024	Early lease termination - mental illness	SB 162

Renter Protections: Bills passed 2010-2024

Year	Count of Year
2010	2
2011	1
2013	1
2014	1
2020	1
2021	3
2022	6
2023	8
2024	5
Grand Total	28

* Vetoed by former Governor



Renter Protections Enacted 2010-2024

Number of bills per category exceeds 28 because some bills fall under more than one category.

Governance (3)

- Eviction data (2022, 2024)
- Energy performance targets for low-income housing (2023)
- Office of Tenant and Landlord Affairs (2024)

Access to housing opportunities (6)

- Prohibit source of income discrimination (2020)
 - Allow reusable tenant screening reports (2021)
 - Shield Failure to Pay Rent case records (2022, 2024)
 - State housing voucher program (2023)
 - Tenant right of first offer/first refusal (2024)
-

Stronger notice (7)

- Tenants in foreclosure (2010)
- Lease non-renewals (2021)
- Non-payment of rent (2021)
- Security deposit withholding invoice (2022)
- Rent increases (2023)
- Mobile park closure/relocations (2023)
- Utility billing notice (2022, 2024)

Due process (6)

- Prohibit non-judicial evictions (2013)
 - Right to counsel in evictions (2021, 2022, 2023)
 - Require proof of rental licensing in court (2023)
 - Allow fact-finding re: valid lead inspection certificates (2023)
-



Deterring unfair conduct (9)

- Protect victims of intimate partner violence/sexual assault/stalking (2010, 2022)
 - Prohibit retaliatory evictions (2011, 2014)
 - Prohibit source of income discrimination (2020)
 - Ensure access to common-area meeting spaces (2022)
 - Require stay of eviction for disbursement of rental assistance (2022) [**Vetoed**]
 - Prohibit breach of lease for summoning emergency services (2023)
 - Deter serial eviction filing (2024)
 - Strengthen access to rent escrow (2024)
 - Limit liability for early lease termination due to mental illness (2024)
-

Right to counsel in evictions

- Funding sunsets FY 27
- 2023 bill to require postponement for access to lawyer failed in House.
- Affirmative cases and “upstream” interventions are not covered.

Retaliation

- Statute does not prohibit retaliation in non-periodic tenancy, after 6-month presumption, and for unprotected activities.
- Requires tenant to prove motive without discovery
- No statutory tenant right to organize, collectively bargain

Addressing the gaps

Habitability

- No action on mold hazards
- No action on heat hazards
- Energy efficiency

Tenant screening

- No state regulations on use of criminal history, eviction history, credit scores, credit reports, AI screening products, rent-to-income ratios, multipliers

Good cause eviction

- No non-renewals/evictions without a good reason

Eviction process

- HB 18 pre-filing notice does not apply in mobile park cases, breach of lease, and tenant holding over.
- Electronic notice abuses
- Bills to ensure minimum 7 days notice of trial failed in Senate.
- Many renters do not receive notice of eviction.
- No post-eviction right to recovery personal possessions
- 4-day/10-day appeal periods and high appeal bonds impede right to appeal.

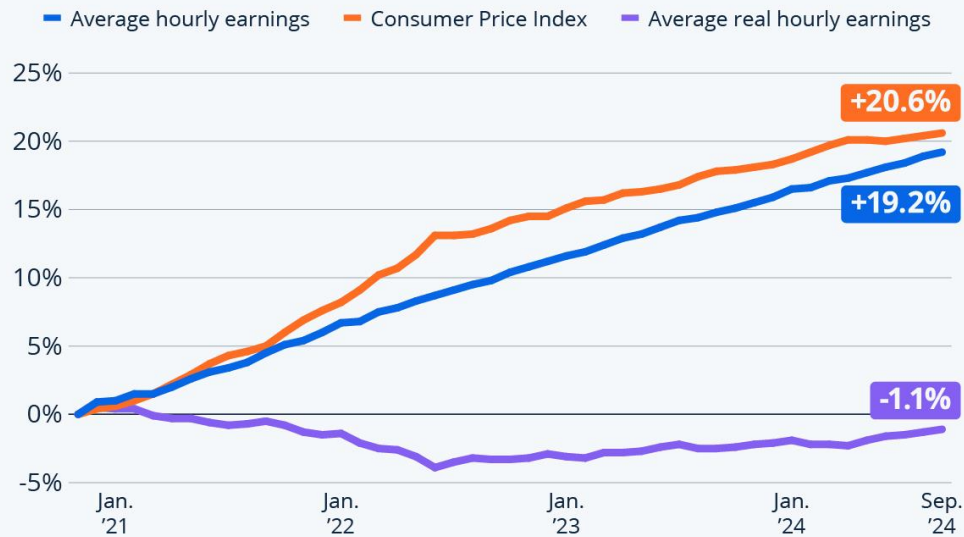
Addressing the gaps

Eviction prevention funding

- Funding fell to \$10M in FY25
- 2023 bill to require postponement to engage eviction prevention services failed in House
- 2022 bill to require stay of eviction for disbursement of funds was vetoed.

Worse Off Now? Real Wages Have Declined Since Nov. 2020

Cumulative change in average hourly wages and the Consumer Price Index in the U.S. since November 2020*



* Seasonally adjusted

Source: U.S. Bureau of Labor Statistics

Economic concerns: inflation

“Between November 2020 and September 2024, nominal wages increased 19.2 percent on aggregate. During the same time, consumer prices have surged by 20.6 percent, though, meaning that price hikes have erased any wage growth and left real wages 1.1 percent short off where they were four years ago.” [Felix Richter](#).

Maryland Housing Cost Burden

% of Renter Households with Cost Burden

AT EXTREMELY LOW INCOME	86
-------------------------	----

EXTREMELY LOW INCOME TO 50% AMI	79
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51% TO 80% AMI	43
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81 TO 100% AMI	13
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% of Renter Households with Severe Cost Burden

AT EXTREMELY LOW INCOME	73
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ELI TO 50% AMI	28
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51% TO 80% AMI	5
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81 TO 100% AMI	1
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Economic concerns: housing cost burden

Statewide: more than 46% of renters are cost burdened compared with just shy of a quarter of homeowners.

Nationally: The number of severely cost-burdened renter households – those spending more than half of household income on housing and utilities – also hit a new high of 12.1 million in 2022, up 1.5 million from pre-pandemic levels.

More than half of Black (57 percent), Hispanic (54 percent), and multiracial (50 percent) renter households were cost burdened at last measure in 2022.

Burden rates remain disproportionately high for lower-income renters of color, at 85 and 87 percent for Black and Hispanic renters, respectively, as compared to 80 percent of their white counterparts.

Sources: National Low Income Housing Coalition, The GAP Report: Maryland, <https://nlihc.org/gap/state/md>; The Baltimore Sun, “Baltimore-area renters likelier to be more cost-burdened than US peers, census data shows,” Dec. 12, 2024; Joint Center for Housing Studies of Harvard University, *The State of the Nation’s Housing 2024*, https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf.

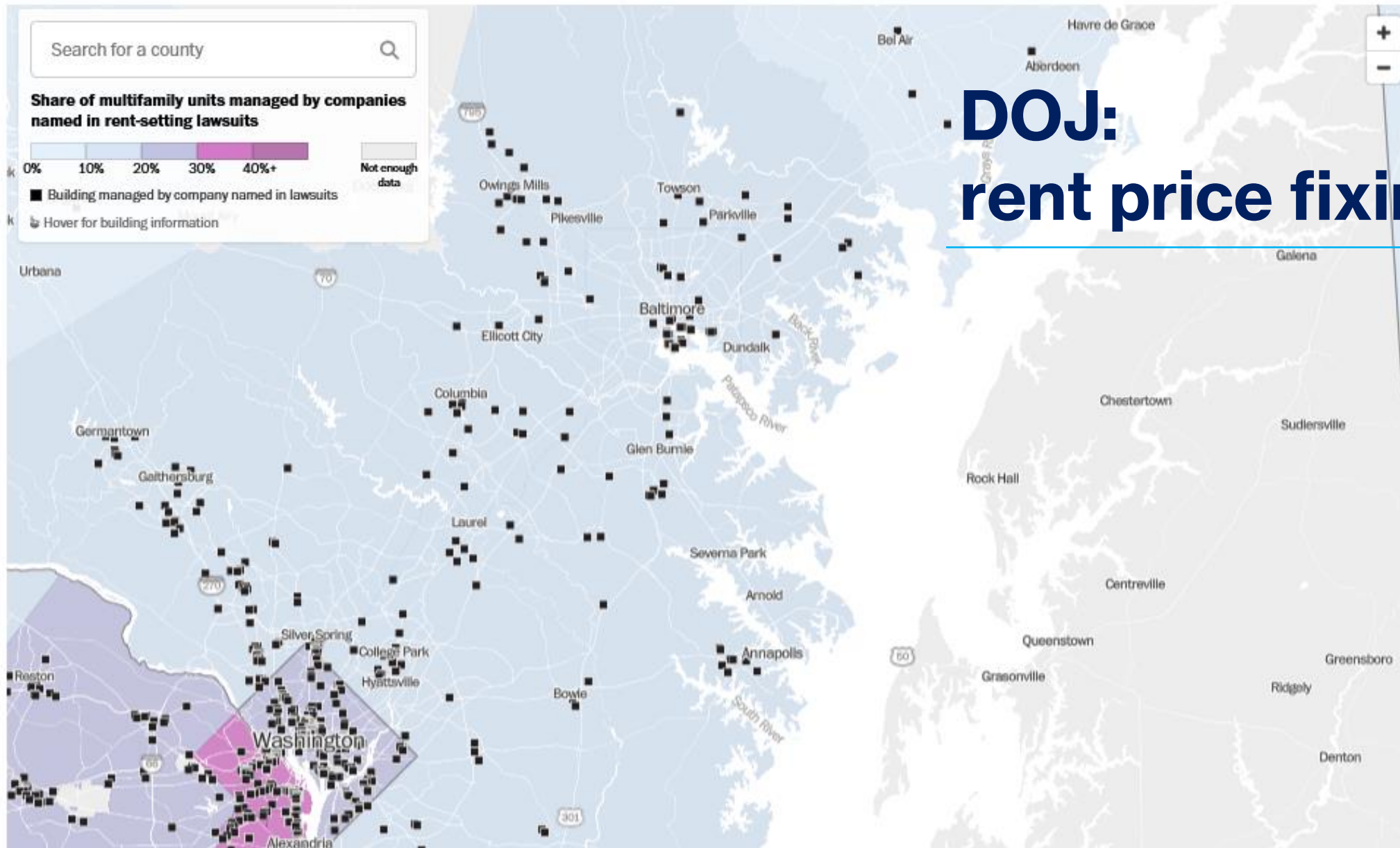
Economic concerns: rent hikes

“While rent inflation slowed to just 0.2 percent year over year in early 2024, rents remain up 26 percent nationwide since early 2020 after rapid pandemic-era growth.” *State of the Nation’s Housing 2024*

Maryland Rent Inflation

BALTIMORE-COLUMBIA-TOWSON				CUMBERLAND-WV				WASH-ARLINGTON-ALEXANDRIA			
YEAR	FMR 2BR	YOY Increase	Increase from 2019	YEAR	FMR 2BR	YOY Increase	Increase from 2019	YEAR	FMR 2BR	YOY Increase	Increase from 2019
2019	\$ 1,342.00	-5%		2019	\$ 700.00	0%		2019	\$ 1,665.00	-7%	
2020	\$ 1,376.00	3%		2020	\$ 714.00	2%		2020	\$ 1,707.00	3%	
2021	\$ 1,384.00	1%		2021	\$ 734.00	3%		2021	\$ 1,765.00	3%	
2022	\$ 1,395.00	1%		2022	\$ 757.00	3%		2022	\$ 1,785.00	1%	
2023	\$ 1,548.00	11%		2023	\$ 838.00	11%		2023	\$ 1,838.00	3%	
2024	\$ 1,943.00	26%	45%	2024	\$ 968.00	16%	38%	2024	\$ 2,045.00	11%	23%

Source: <https://www.rentdata.org/states/maryland/2025>

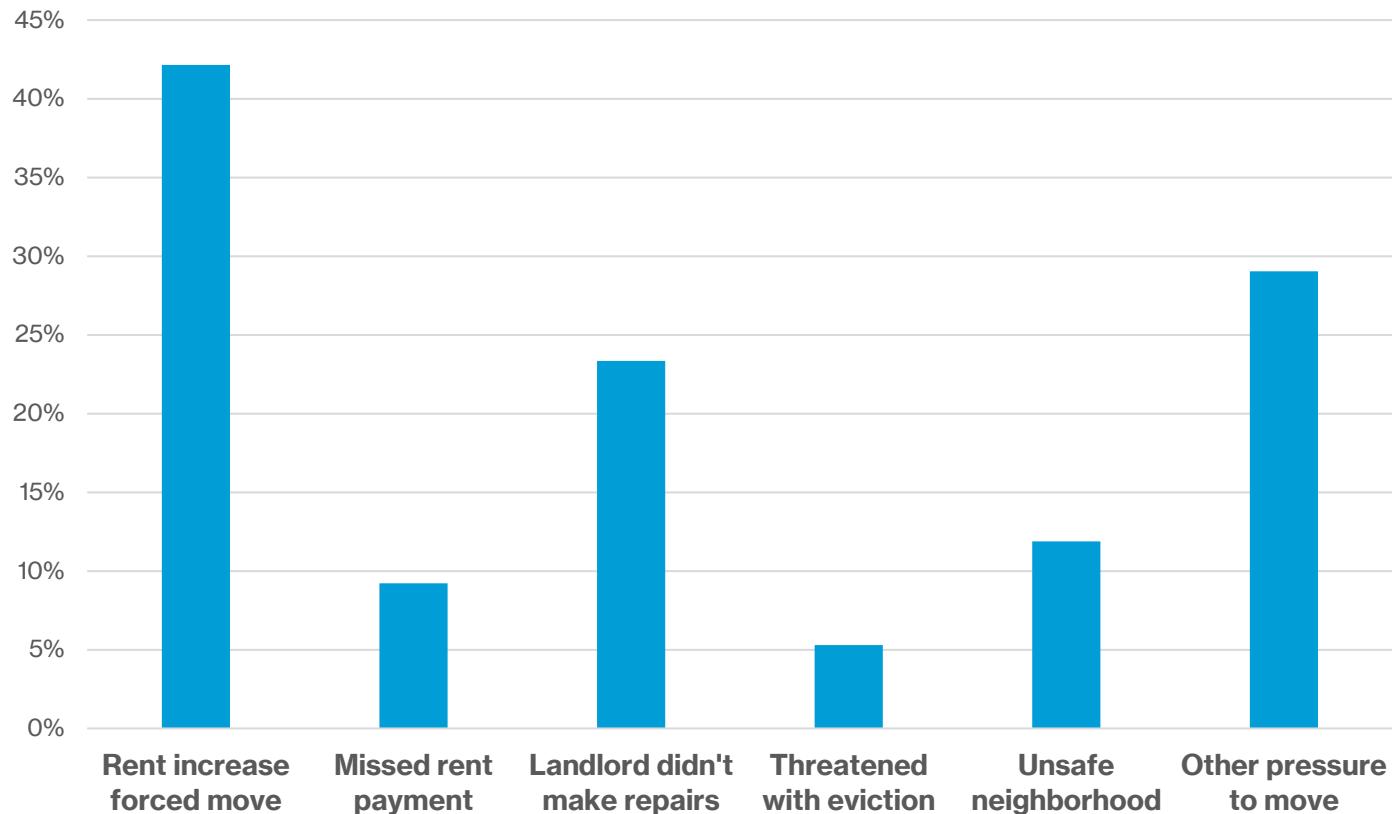


**DOJ:
rent price fixing**

Source: Washington Post, "Landlords are accused of colluding to raise rents. See where." Jan. 8, 2025, <https://www.washingtonpost.com/business/interactive/2025/realpage-lawsuit-rent-map/>

Pressure to move

Pressure to Move in the Last 6 Months



- Household Pulse Survey, Sept. 2024: final data reporting
- 54% of renters felt pressured to move.
- 33% of renters reported that their likelihood of having to leave their home in next 2 months due to eviction was “very likely” or “somewhat likely.”
 - 43% for Black renters
 - 35% for Hispanic or Latino
 - 24% for White renters

Source: Source: U.S. Census Bureau Household Pulse Survey, Phase 4.2 Cycle 09 (August 20 – September 16, 2024), available at <https://www.census.gov/data/tables/2024/demo/hhp/cycle09.html>.



Renters are staying put longer as homeownership slips further out of reach

Redfin: In 2022, 16.6% of renters had been in their homes for 10 years or more, up from 13.9% in 2012

- High rent rates limit renters' ability to move while rising home prices and high mortgage rates price renters out of homeownership opportunities.
- Millennials: 50.7% staying for 1-4 years, 20% staying 5+ years.
- Gen X: 39.5% staying 1-4 years, 22% staying 5-9 years, 22% for 10+ years.
- Baby Boomers: 33% staying 10+ years.

Desire to stay

- Good Cause Eviction protections were enacted in **New York** and **Colorado** in 2024.
- Joining New Jersey, New Hampshire, Connecticut, Washington, D.C., Oregon, Washington, California

Council adopts regulations to put permanent rent stabilization in place

For Immediate Release: Tuesday, July 23, 2024

Implements Bill 15-23, Rent Stabilization, which caps annual allowable rent increases to CPI plus three percent with a cap of six percent, exempts newly built units for 23 years

ROCKVILLE, Md., July 23, 2024—Today, the County Council approved [Executive Regulation 2-24, Landlord-Tenant Relations - Rent Stabilization](#). Adoption of the regulation allows [Bill 15-23, Rent Stabilization](#) law to go into effect.

In July 2023, the Council approved Bill 15-23 to prevent excessive rent increases for regulated rental units. Under the law, the maximum allowable rent increase is the lesser of the local annual Consumer Price Index for All Urban Consumers (CPI-U) plus three percent or six percent of the base rent. The legislation, sponsored by Councilmembers Natali Fani-González and Sidney Katz, took a balanced approach by stabilizing rents in Montgomery County while also ensuring landlords can earn a fair return on their investment. Keeping in mind the County's need to build 31,000 housing units by 2030, the legislation exempts newly built units for 23 years.

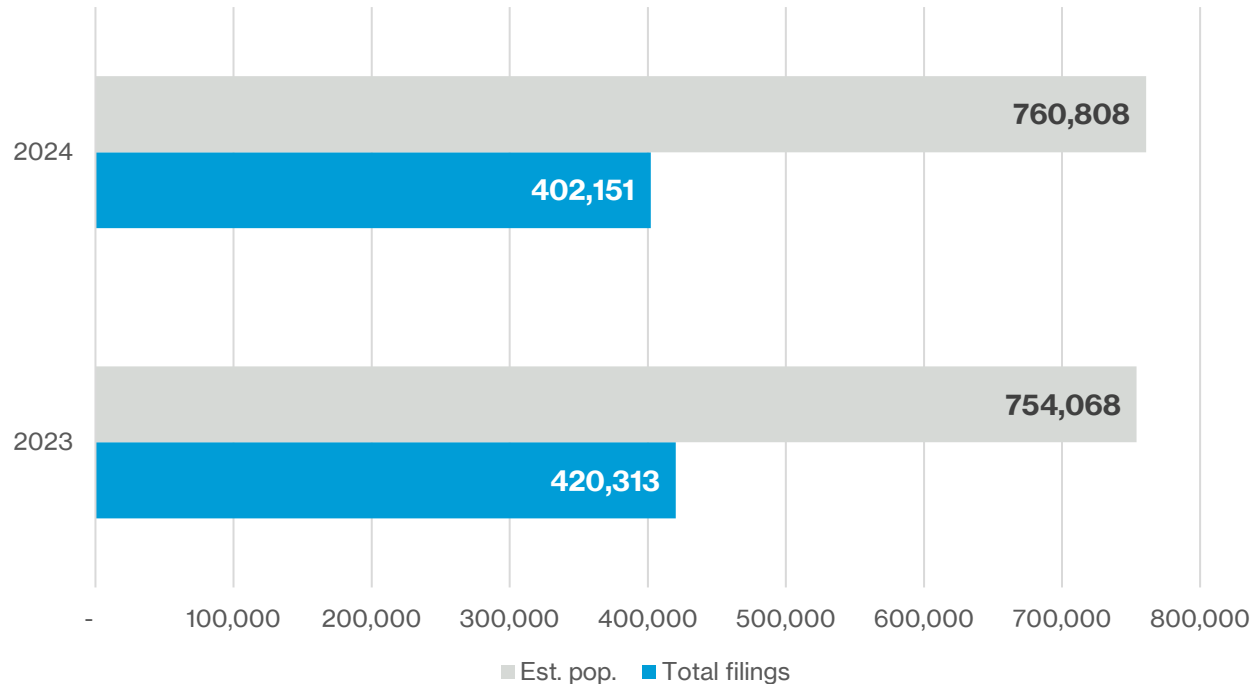
This legislation also requires the adoption of regulations before becoming effective. The regulations include:

- Limitations to rent increase amounts for new leases, renewals, multi-year leases, and previously vacant units,
- Limited additional rent increases, if approved by Housing Director, in response to landlord applications for Fair Return increases or Capital Improvement surcharges,
- Exemptions for Substantially Renovated rental buildings, and
- Regulation of permitted fees

Rent stabilization

- Montgomery Co. adopted implementing regulations for rent stabilization (July 2024)
- Prince George's Co. rent stabilization went into effect in Oct. 2024.

Eviction Filings among Maryland Renter Households



Eviction data

	Projected 2024	Decrease from 2023
Court complaints	402,151	-4%
Warrants of restitution	119,747	-16%
Evictions	18,715	-11%

Sources: District Court of Maryland statistical data, available at <https://www.mdcourts.gov/district/about#stats> (2024 total is projected based on 9 available months reported); American Community Survey data, 5-Year Estimates, available at <https://data.census.gov> (Table: B25011 Tenure by Household Type)

Eviction data

Top 10 Displacement Zones (Total Warrants Issued)

1. 21234 - Baltimore County (Parkville)
2. 21221 - Baltimore County (Essex)
3. 21244 - Baltimore County (Windsor Mill)
4. 21061 - Anne Arundel County (Glen Burnie)
5. 21117 - Baltimore County (Owings Mills)
6. 21220 - Baltimore County (Middle River)
7. 21206 - Baltimore City (partially Baltimore County)
8. 21215 - Baltimore City (partially Baltimore County)
9. 21207 - Baltimore County (Woodlawn, Baltimore City)
10. 21222 - Baltimore County (Dundalk)



NOTICE

Effective October 1, 2024

Filing Fees Increase for Civil Cases

[HB 693, Ch. 124](#) from this year's legislative session increases the surcharge assessed in civil cases in the District Court and circuit courts. This legislation also alters the distribution of surcharges in specified landlord-tenant cases.

The Chief Judge of the District Court has adjusted filing fees to include the higher surcharge. The **filing fees will increase by:**

- **\$35 for summary ejectment cases; and**
- **\$10 for all other civil cases.**

Total filing fees for summary ejectment (Failure to Pay Rent) cases as of 10/01/2024 will be as follows:

- **\$50 in all counties, except Baltimore City;**
- **\$60 in Baltimore City.**

Filing fee increase

- Renters' Rights and Stabilization Act went into effect Oct. 1, 2024.
- FTPR filing increased from \$20 to \$50 (\$30 to \$60 in Baltimore City).
- Increase includes surcharges:
 - \$19.35 to Md. Legal Services Corp.
 - \$19.35 to state housing vouchers
 - \$4.30 to Community Schools Rental Assistance Program

- ACE attorneys closed over **9,100 cases**, benefiting more than **21,000 Marylanders**, including 9,100 children.
- 72% of ACE clients identify as Black, and 33% report having a household member with a disability.
- About 88% of tenants who wished to remain in their homes were able to do so.
- ACE provides a \$3 return for every \$1 invested, resulting in **\$46.7 million in fiscal benefits** to the state in FY 2024 alone (reduced shelter costs, decreased public health expenditures, etc.).
- Two-thirds of ACE clients had no awareness of the right to counsel in evictions until their court date.

Access to Counsel in Evictions

\$14M allocation to ACE Special Fund from Abandoned Property Fund sunsets in FY 27.

HB 103/SB 154 will remove the sunset.

Access to Counsel in Evictions

- Non-payment: 50% tenants were 1-3 months behind, 25% believed they were current, 25% believed they were 4+ months behind.
- Falling behind: **11% job loss or reduced hours, 16% unexpected expense, 19% rent withholding** related to substandard conditions.
 - Among MLA cases, 41% involved conditions of mold, water damage, or plumbing leaks.

- 21% of renters said that their alternative housing if evicted would be a shelter or the street.

US saw dramatic rise in homelessness at start of 2024, housing agency says

US Department of Housing and Urban Development reports largest increase among families with children

THE BALTIMORE SUN

LOCAL NEWS

Baltimore's abandoned property ordinance violates rights of evicted tenants, 4th Circuit rules

- Fourth Circuit ruled in *Todman v. Mayor and City Council of Baltimore* that the city violated tenants' constitutional rights through its "Clean Streets" ordinance.
- The "Clean Streets" law prohibits a landlord from dumping the renter's personal possessions in the public right-of-way. However, the law also deems that those possession are deemed legally abandoned at the time of eviction.
- This violates due process, *and* the court held that the city can be held **liable** for damages when the ordinance causes a violation of tenants' rights.

Tenant possessions

On the horizon

New laws:

- Tenant Safety Act case development
- Community Schools Rental Assistance roll-out
- Deterrent effect of filing fee increase

2025 Focus:

- Good Cause Eviction (Wilkins)
- Tenant Possession Recovery Act (Terrasa)
- Eviction prevention funding (maintain \$10M)
- ACE funding (HB 103, Rosenberg)



**Senate Judicial Proceedings Committee:
Housing Briefing
Jose Coronado-Flores, Policy Analyst**

Brief Organizational Overview



- Maryland's Largest immigrant advocacy and services organization.
 - Legal services, vocational classes, education programs for youth, health services, general immigrant support.
- Over 60,000 active members in the state of MD
- Offices in Rockville, Silver Spring, Wheaton, Langley Park, and Baltimore.
- Extensive tenant organizing in Prince George's and Montgomery- increasing presence in Baltimore County and City as well as Howard and Anne Arundel Counties
 - 12 apartment communities in Prince George's County
 - 8 apartment communities in Montgomery County

Update: Tenant Safety Act Implementation



- The Tenant Safety Act amended Sections 8-211 and 8-212 of the Real Property Article of Maryland's Code, which deals with rent escrow.
- Took effect on October 1st, 2024
- TSA Components
 - Clarify Joinder: Tenants in same complex w/similar issues may join in escrow together to increase pressure on landlord and corroborate evidence.
 - Make landlord pay prevailing tenant attorneys' fees
 - Establishes Warranty of Habitability
 - Damages for prevailing tenants
 - Tenant can request court to hear rent abatement upfront – not the end of the case
 - Burden shifts to landlord to show that rent should NOT be reduced

Rent Escrow Basics

- Elements of Rent Escrow
 - Conditions of disrepair in a unit or common area that threaten or will threaten life, health or safety of occupants
 - Landlord had reasonable notice but failed to repair (30 days =reasonable, but could be less)
 - Conditions not caused by tenant & tenant has allowed landlord access.
 - Court orders tenant to put rent in escrow account until repairs made

Update: Tenant Safety Act HB1117



Last year, Pedro H. testified before the House Environment and Transportation committee sharing:

- “I have been a resident at an apartment complex in Riverdale for 13 years. In my building, every unit has a problem.”
- “Last year, I joined 21 of neighbors to file rent escrow actions against my landlord.”
- “Due to procedural rules, we each had to bring our individual cases... 22 lawsuits, 22 different escrow accounts, and 22 days off work for each hearing... The logistics were a nightmare for the court staff, judges, and attorneys on both sides.”

Update: Tenant Safety Act HB1117



On Nov.1st, 2024 exactly one month after TSA went into effect, Pedro H. and 38 of his neighbors had their separate “failure to pay rent” defense cases joined under TSA rent escrow improvements

- After no improvements to conditions, tenants experiencing serious conditions issues stop paying rent.
- Landlord brings them to court under “failure to pay rent” proceedings.
- Tenants use rent escrow as their defense for failure to pay rent. Judge finds evidence compelling enough to allow tenants to open rent escrow cases; tenants request to have their cases joined. Judge accepts.
- Active legal proceedings right now.

**Notes from the
Field:
Heather Hills
Apartments,
Temple Hills,
MD
District 25**

Since 2023, CASA has helped tenants and CASA members at Heather Hills Apartments fight for better conditions.

- Tenants report abysmal conditions: broken AC units, rodent and insect infestations, extremely slow and unresponsive maintenance teams, crumbling ceilings and walls, issues with plumbing mold, etc.



**Notes from the
Field:
Heather Hills
Apartments,
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**Notes from the
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**Notes from the
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Nov. 13th, 2024 - [ABC7 News Article](#)

- “Every Marylander has the right to live in a safe home. Tenants should never be forced to live in unsanitary or unsafe conditions,” said Attorney General Brown. “This lawsuit sends a clear message to landlords: if you violate licensing laws, expose tenants to deplorable conditions, or prioritize profit over people, the Attorney General's Office will hold you accountable.”

**Notes from the
Field:
Parkside
Landing
Apartments,
Rockville, MD
District 17**



November 2024, CASA legal is informed of many members experiencing extreme housing issues at Parkside Landing.

- CASA legal represents 29 tenants from Parkside Landing in rent escrow court.
- Suing tenants ALL received either lease non-renewals or eviction notices from the property owner.

**Notes from the
Field:
Parkside
Landing
Apartments,
Rockville, MD
District 17**



Dec.3, 2024 - [DCNEWSNOW Article](#)

- “I’ve been living with roaches and mice, and it’s not really healthy, especially when you have a toddler. We had to deal with our balcony sinking in. We have mold in the ventilation systems,” says Jean Ordway, tenant at the complex.

**Notes from the
Field:
Parkside
Landing
Apartments,
Rockville, MD
District 17**



Overarching Observations from the Field



- People are more willing to raise their voices when they know others are suffering the same conditions AND when they see others raise their voices.
 - Tenant Safety Act is practical and being used already.
- Thousands of units across MD's affordable housing stock are in extreme disrepair.
- Heating, cooling, and weatherization-related conditions issues are very common.
 - BEPS requirements will help address housing conditions issues across the state.
 - In MD's most distressed properties, BEPS compliance will be expensive due to property owners' cumulative neglect.
 - Ex. Villas and Bedford Apartments improvements.

Overarching Observations from the Field

- Retaliatory evictions and lease non-renewals are closely tied to tenant advocacy efforts. Tenants that CASA legal has directly represented are actively receiving lease non-renewals.
 - Good Cause Legislation provides tenants with a shield from lease non-renewals, especially tenants who are outspoken advocates.
 - Tenant Possession Recovery Act will give evicted tenants 10 days to recover their possessions.

Contact Info and Thanks

- Jose Coronado-Flores, Climate, Environmental, and Housing Policy and Research Analyst
 - jcoronado@wearecasa.org
 - 240-393-7840





Good Cause in Maryland

BY THE LEGAL DEFENSE FUND (LDF)

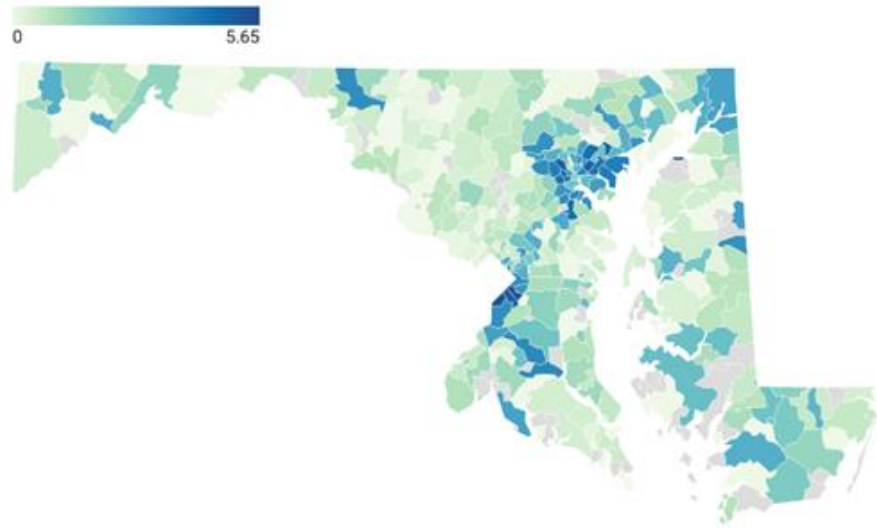
Eviction Overview

- ▶ In the most recent full year with data from Oct. 2023 to Sept. 2024 Maryland landlords filed more than 255,000 eviction warrants of restitutions and executed nearly 16,000 completed evictions according to the Maryland Department of Housing and Community Development.

Evictions Disproportionately Hurt Black Families in Maryland

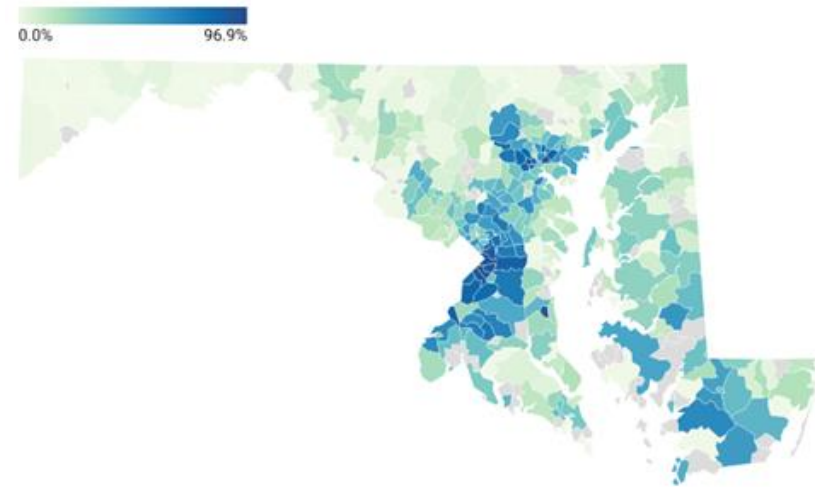
- ▶ Black households have the highest eviction removal count in Maryland—almost **three** times higher than the eviction rate for white residents.
- ▶ Households headed by Black women had the highest number of eviction removals in Maryland.

Rate of executed evictions by ZIP code (Apr - Nov 2023)



This map reflects the number of executed evictions per 100 renter-occupied housing units in a ZIP code.
Map: Sandhya Kajeepeeta, Thurgood Marshall Institute • Source: Maryland Department of Housing and Community Development Evictions Dashboard • Created with Datawrapper

Black renters as percentage of renter population by ZIP code (2022)



This map reflects the number of Black renter-occupied housing units as a percentage of total renter-occupied housing units by ZIP code.
Map: Sandhya Kajeepeeta, Thurgood Marshall Institute • Source: American Community Survey 2022 5-year estimates • Created with Datawrapper

Mapping

No Cause Evictions

- ▶ In 2023 there were more than **5,000** eviction warrants for no cause evictions — those initiated simply because the lease agreement had expired.
- ▶ This represents a **62%** increase from pre-pandemic levels.
- ▶ The concerning reality is that many Maryland renters live in their homes at the whim of their landlords. And any time their lease is up or their landlord wants them out, they face possible eviction, even if they are keeping up with rent payments.

No Cause Evictions – Black Maryland Residents

- ▶ For ZIP codes in Maryland with 50 or more rental units, ZIP codes with a higher percentage of Black renters face a higher rate of no cause evictions.
- ▶ A 10-percentage-point increase in the percent of Black renters in a ZIP code is associated with a 29% increase in the rate of no cause eviction warrants with a 22% increase in the rate of holdover evictions.

Affordability Crisis

- ▶ There are **207,554** extremely low-income households in Maryland, but only **61,469** affordable and available rental units.
- ▶ Adding more stress to Maryland renters is the fact that rent prices in Maryland are higher than the national average.
- ▶ Black renters are disproportionately rent-burdened in Baltimore: approximately 60% of Black renters are housing cost burdened compared to 47% of white renters.²⁷ This makes residents more prone to evictions

Evictions hurt the Economy

- ▶ New evidence that shows that evictions are bad for the economy. Annual earnings following an eviction for someone decreased by an average of roughly \$1,300 in the first year, and \$2,400 in the second year, amounting to a nearly 15 percent drop in income.
- ▶ Study showed that an eviction increased the probability of someone using an emergency shelter by more **than 300%** increase relative to those who are not evicted and a **467%** increase for Black tenants.

Evictions lead to homelessness

- ▶ Evictions are one of the leading causes of homelessness in Maryland.
- ▶ Each year in Maryland, **30,000+** people experience homelessness
- ▶ From 2018 to 2024, there was a **77%** increase in adults aged 65 and older facing homelessness, according to new data reported by the Maryland Department of Housing and Community Development.
- ▶ Today 1 in 4 Black children in rental households face the threat of eviction in a typical year.



**Tonia Chestnut,
Progressive
Maryland's
Enclave Tenant
Association
President**



**Senate Judicial Proceedings Committee Briefing on Housing
January 21, 2025**

The Enclave's History of Neglecting Tenant Welfare Sparks Urgent Call for Change

► Feature ► Government ► Neighborhoods | October 20, 2023 | Suzanne Pollak

'Enough is Enough': Enclave Residents Tired of Rats, Mold, Lax Security, Broken Elevators

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GOV & POLITICS

WORK & THE ECONOMY

Advocates make one last plea to Md. senators to pass renters' protections

Home

Progressive Maryland Enclave Tenant Association Leads Charge Against Hazardous Living Conditions, Urges County Intervention

 Progressive Maryland | March 12, 2024

[MoCo Government](#)

Elected Officials Hold Press Conference With Enclave Tenant Association to Demand Change; Montgomery County Currently Pursuing 1,229 Citations Against the Property



Contact us:

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Association President**

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RESEARCH ON IMPACT OF GOOD CAUSE INITIATIVES

Jeremy Schwartz, Ph.D., Loyola Maryland University

Kenton Card, Ph.D., University of Minnesota

Evan Davis, University of Minnesota

Edward G. Goetz, Ph.D., University of Minnesota

TRENDS IN INVESTOR-OWNED RENTAL HOUSING

- Growth in corporate & investor-owned rental housing
- Higher eviction rates
- More rapid rent increases & greater use of miscellaneous fees
- Less responsive
- Lower levels of property maintenance

Lee, 2017

Seymour et al., 2013

Raymond et al., 2018

Leung et al., 2021

Gomory, 2022

Seymour & Akers, 2021

Reosti, et al., 2023

Gurun, et al., 2023

Decker, 2023

Goetz et al., 2024

Goetz & Damiano , 2025

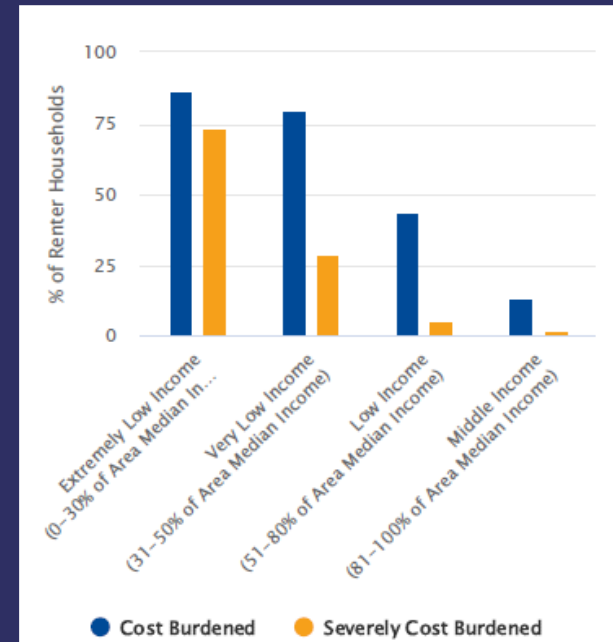


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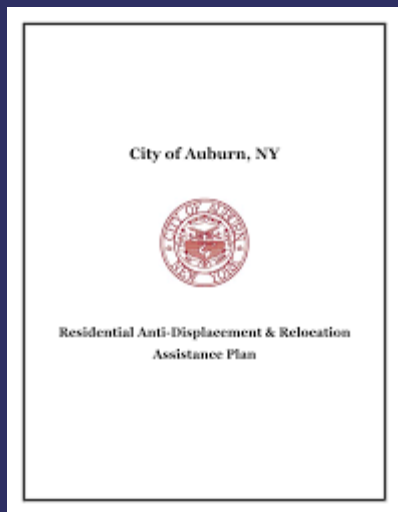
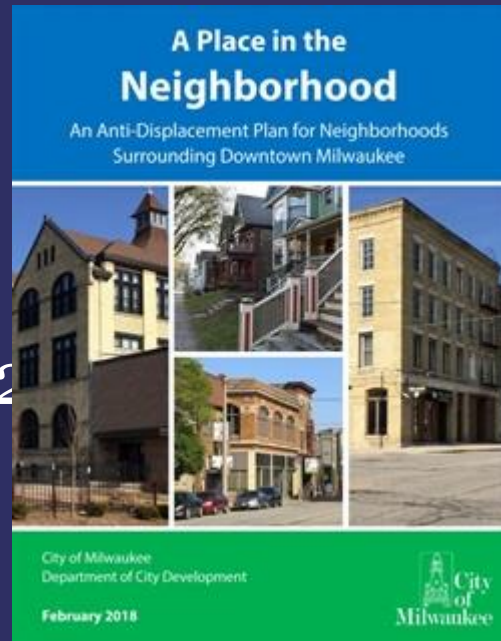
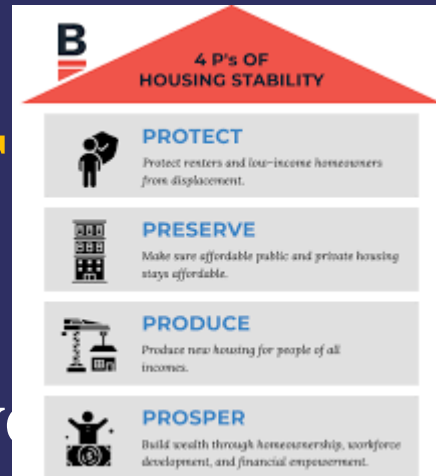
HIGH & RISING RENTS

- Maryland has 9th highest housing wage in the country (wage needed to afford avg 2-bedroom rental), \$36.70
- Nearly half of all renters cost-burdened (pay > 30% of income on rent)
- One-quarter are severely cost-burdened (pay >50% of income)
- More than three of every four renters with incomes below 50% of AMI are cost-burdened
- Statewide rents increased 4.3% YOY (Zillow)



National Low Income Housing Coalition





WIDESPREAD ADOPTION OF GOOD CAUSE

- NJ, OR, CA, NH, WA state-level legislation
- Municipalities in NY and scattered across the country, including Philadelphia, St. Paul, Washington DC
- Dozens of municipalities operate good cause along with other tenant protections such as rent stabilization



IMPACT OF GOOD CAUSE EVICTION PROTECTIONS

- ... leads to decrease in eviction filings (Cuellar, 2019)
- ... associated with lower rates of outmigration (Hwang et al., 2022)
- ... direct and immediate impact on mitigating displacement (Chapple et al., 2023)



IMPACT OF GOOD CAUSE EVICTION PROTECTIONS

- Study of CA, OR, and NH
- County-level data on housing production
 - Housing permit data, HUD
- Controlling for income per capita, population, county-level GDP, unemployment, housing vacancy rate



IMPACT OF GOOD CAUSE EVICTION PROTECTIONS

- “Difference in differences” model
- Pre- and post enactment of good cause
- Comparison to jurisdictions without good cause
- A comparison of trends
- CA & OR enacted good cause in 2019
- NH enacted in 2015



IMPACT OF GOOD CAUSE EVICTION PROTECTIONS

Housing permits in CA and OR counties *did not decline relative to the county-level trends in neighboring states* that do not have good cause eviction protections

- Permitting in CA & OR actually increased relative to comparison counties, though not statistically significant



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IMPACT OF GOOD CAUSE EVICTION PROTECTIONS

Housing permits in NH counties *did not decline relative to the county-level trends in neighboring states* that do not have good cause eviction protections



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IMPACT OF GOOD CAUSE EVICTION PROTECTIONS

In both analyses we found no evidence that passage of good cause legislation at the state level led to a decline in housing production



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IMPACT OF GOOD CAUSE EVICTION PROTECTIONS

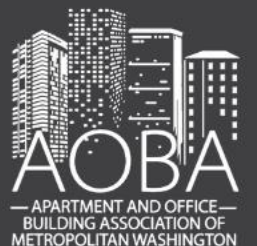
- Reason for optimism
- Research shows good cause can produce its intended effects
 - Reducing evictions
 - Stabilizing households in their apartments and neighborhoods
 - Without leading to reduced rates of housing production



Senate Judicial Proceedings Committee

Briefing on Housing

January 21, 2024



Passed Legislation

- HB693 - Renters' Rights (2024)
- HB1117 - Tenant Safety Act (2024)
- HB93 - Limitation of Liability for Rent (2024)
- HB18 - Access to Counsel (2021)
- Mold
- Notice of non-renewal
- Tenant Protection Act
- Baltimore & Frederick Local Ordinances
- HB823 - Fire Safety Act (2024)
- HB151 - Notification of Rent Increases (2023)
- SB528 – Climate Solutions Now Act (2022)
- Rent Control in Montgomery & Prince George's Counties (2023)

Pending Legislation (2025)

- HB49/SB256 – BEPS – Compliance & Reporting
- HB392/SB107 – Fair Housing Testing
- Good Cause
- Ban the Box

Rent Control in Montgomery & Prince George's Counties



The Wall Street Journal

December 23, 2024 at 6:51 AM

Wall Street's landlords have long embraced Maryland's Montgomery and Prince George's counties, but new laws restricting rent increases there are among the strictest in the country.



WSJ.COM

Wall Street Landlords Loved These D.C. Suburbs. Rent Control Ended That.

Multifamily buildings in Maryland's Montgomery and Prince George's counties, some of the ...

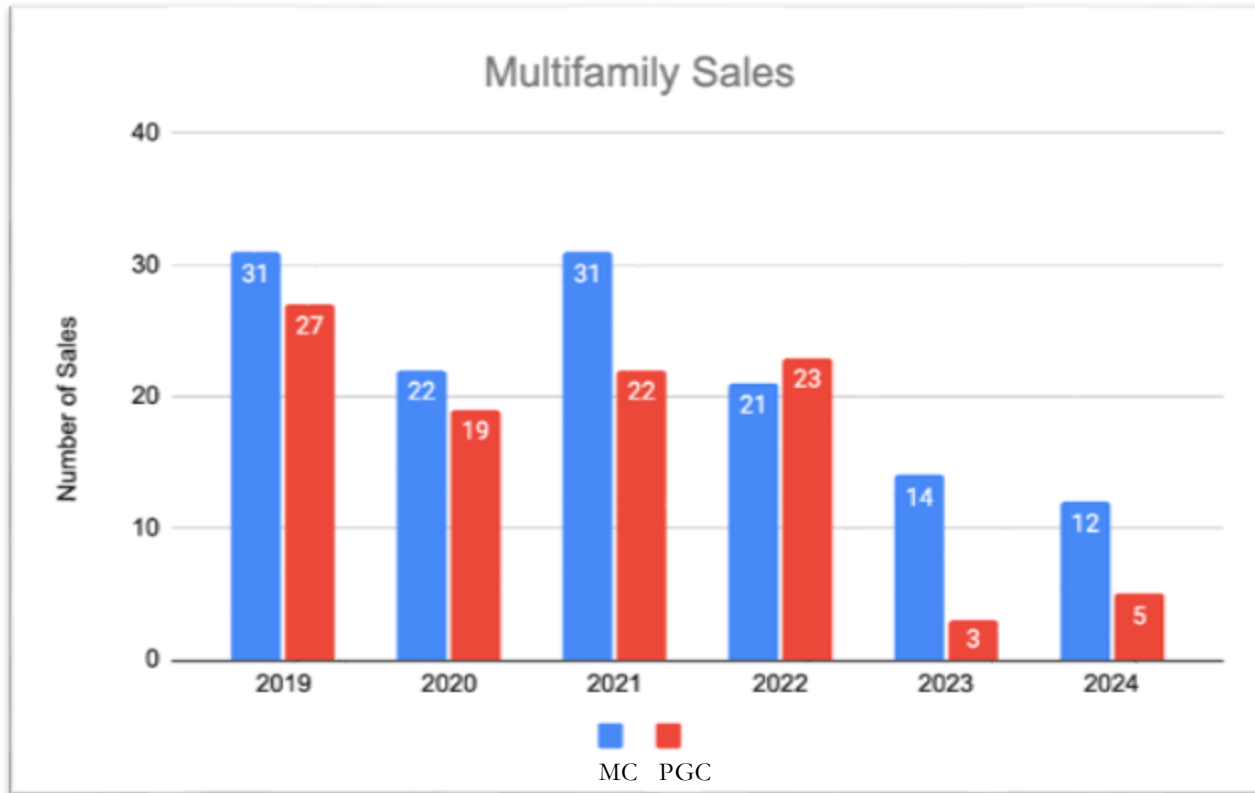
In July, Montgomery County and Prince George's County enacted laws that limit rent increases to either 6%, or 3% plus the inflation rate, whichever is lower.

Because the new laws restrict rent increases not just on apartments where tenants are living but also on vacant units, they are considered among the strictest in the country.

Multifamily transaction volume in both counties was down 13% in the first three quarters of 2024 compared with the same period in 2023, according to data from MSCI Real Assets.

"There's no question that [the rent restrictions] had more than a chilling effect," said Scott Melnick, president of Montgomery County-based brokerage Melnick Real Estate Advisors.

Impact of Rent Control on Sales



Source: Transwestern Commercial Real Estate

Lower Sales = Less transfer & recordation taxes for the state and county

TRANSFER AND RECORDATION TAXES				
(\$ in thousands)				
	FY 2023	FY 2024	FY 2024	FY 2025
	ACTUAL	APPROVED	ESTIMATED	PROPOSED
YIELD	\$170,950	\$204,571	\$153,500	\$164,500
\$ CHG	-70,683	33,621	-17,450	-40,071
% CHG	-29.3%	19.7%	-10.2%	-19.6%

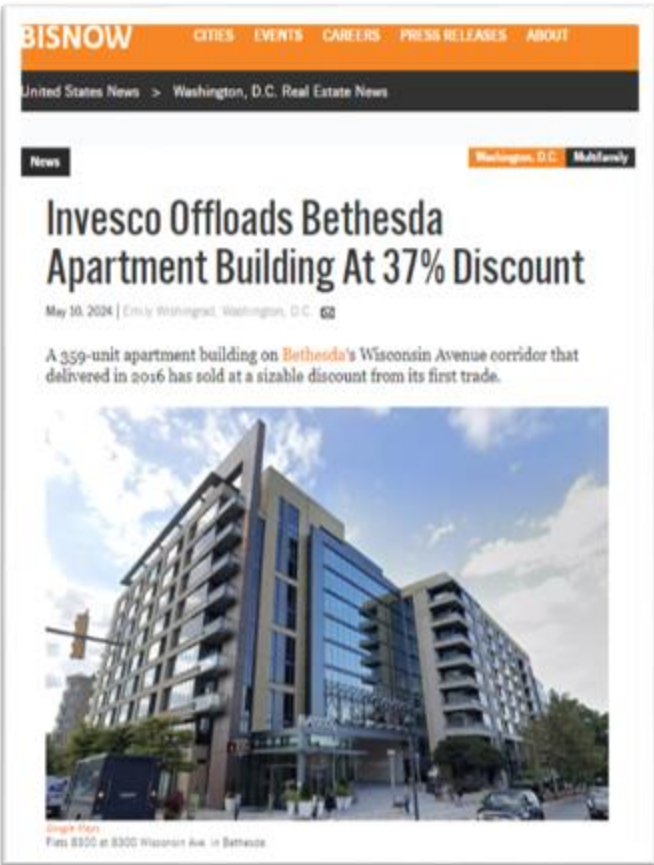
Source: Prince George's County FY25 Budget

Cost of Vacancy Control

	1. Rent Stabilization Maximum Assumes 6% annual increase		2. VRG + Mark-to-Market Assumes 2.6% annual increase, with increase to match market rent on turnover every five years		3. VRG + Rent Banking Assumes 2.6% annual increase, with 10% increase on turnover every five years	
	Increase	Monthly Rent	Increase	Monthly Rent	Increase	Monthly Rent
Year 1		\$1,500		\$1,500		\$1,500
Year 2	6%	\$1,590	2.6%	\$1,539	2.6%	\$1,539
Year 3	6%	\$1,685	2.6%	\$1,579	2.6%	\$1,579
Year 4	6%	\$1,787	2.6%	\$1,620	2.6%	\$1,620
Year 5 (unit turns over)	6%	\$1,894	13%	\$1,894	10%	\$1,782
Revenue over 5 years		\$101,468		\$97,582		\$96,242
vs Scenario 1				-3.8%		-5.2%
vs Scenario 2						-1.4%
Revenue over 20 years		\$634,362		\$623,514		\$530,858
Vs Scenario 1				-5.8%		-19.8%
vs Scenario 2						-14.9%

- Analysis by an affordable housing provider in Montgomery County.
- This is one unit across thousands in a portfolio.
- Voluntary Rent Guidelines (VRG): published annually by Montgomery County; tracks inflation.
- Mark-to-market: a return to market rent levels at unit turnover
- Annual VRG represents the average VRG over the last 10 years.
- **Conclusion: Vacancy control costs landlords millions across their portfolio.**

Rent Control is Also Impacting Property Values



- Bought: \$207M in 2016
- Sold: \$130M in 2024
- Conclusion: Lower transfer and recordation tax revenue.



- Developed: 2020 for \$220m
- Sold: 2023 for \$220m (no profit)
- Assessed Value: \$299m
- Conclusion: Property likely to be reassessed at \$220m, which means less property tax revenue for the state and county.

Housing Providers Operate on Thin Margins

NAA 2023: Breaking Down \$1 of Rent in Maryland

With so much discussion around rent payments and the prevailing misconception that rental housing owners enjoy large margins, the industry would like to offer this explanation of the breakdown of \$1 of rent based on the state average.

Only 5 cents of every \$1 is returned to owners as profit, including the many apartment owners who are themselves small businesses and rely on this revenue to make ends meet, and investors, which include public pensions and retirement plans, on which many Americans rely whether or not they reside in rental housing.

2 cents of every \$1 goes toward capital expenditure reserves. The funds in these reserves cover roof and HVAC replacements and other important repairs that help ensure quality housing for Maryland's 866,600 rental housing residents.

47 cents of every \$1 pays for the mortgage on the property. This is a critical expense, as mortgage foreclosures put all residents at risk of losing their housing.



10 cents of every \$1 goes to property taxes, which in turn support the community through financing for schools, teachers, emergency services and other important local needs.

27 cents of every \$1 goes for operating expenses such as property and liability insurance, utilities and ongoing maintenance.

9 cents of every \$1 covers benefit expenses, including pay for employees who operate and maintain the community as part of the 292,700 jobs that the industry supports.

Between mortgage payments, investor returns—which help support many Americans' retirement plans—and dollars put back into the apartment community to ensure quality living for residents, a rent payment is much more important than one might otherwise realize.

Sources: National Apartment Association, Third Capital Performance Group, www.apartments.org

Maryland Expenses Breakdown

Operating Expenses	
Employee Payroll.....	\$ 0.09
Property & Liability Insurance	\$ 0.03
Taxes	\$ 0.10
Utilities	\$ 0.08
Management Fees.....	\$ 0.04
Professional Fees	\$ 0.01
General & Administrative Fees	\$ 0.03
Marketing Fees.....	\$ 0.01
Other Expenses	\$ 0.00
Repair & Maintenance	\$ 0.07
Total Operating Expenses	\$ 0.46
Capital Expenditures Reserves	\$ 0.02
Mortgage Payment	\$ 0.47
Total Expenses	\$ 0.95
Profit/Loss	\$ 0.05

Note: Totals may not sum \$1.00 due to rounding.

Good Cause in Washington, DC

The Washington Post
Democracy Dies in Darkness

Social Issues

Apartment dwellers plagued by secondhand smoke have little recourse

Lackluster enforcement and barriers to eviction can leave tenants stranded in hazardous, smoky buildings

March 15, 2024

Yet in the District, there are no laws that protect tenants against secondary exposure to smoke in their apartments. Landlords can prohibit smoking in their leases, and many do, said Joel Cohn, legislative director at the D.C. Office of the Tenant Advocate. At the Parkwest, where Gil lives, all leases issued since late 2016 have no-smoking clauses.

But residents of several D.C. apartment buildings told The Washington Post their landlords weren't enforcing these rules. When they do, court records show landlords can get stuck in years-long court eviction battles with residents while their neighbors continue breathing secondhand smoke.

NYU Furman Center: Navigating the Tradeoffs of Good Cause Eviction

NYU
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Critical Land Use
and Housing Issues
for New York State
in 2024

NO 4



Balancing Act: Navigating the Tradeoffs of Good Cause Eviction Legislation

The Benefits and Risks of Good Cause Requirements

- About 710,000 rented houses and apartments in New York City could be covered by the good cause requirement as proposed. This provision, similar to rent regulation, would apply irrespective of household income. Notably, the households in potentially covered units generally report higher median incomes—\$62,964 compared to \$54,000 for all non-NYCHA renter households.
- Evictions and housing instability imposes tremendous harms on households, many of which have children. Finding ways to prevent those harms is crucial.
- But good cause requirements also pose risks of harm; the challenge is to find ways to minimize housing instability while also minimizing the costs that could result from a good cause requirement.

- The risks of a good cause requirement include:
 - Discouraging investment in both the maintenance of existing housing and the development and maintenance of new rental units (which will in turn limit housing supply);
 - Lengthening how long it will take to resolve eviction filings beyond the 133 days the median case of tenants who were represented by counsel took in the most recent years for which complete data is available;
 - Increasing the cost of resolving disputes with tenants who are not paying rent, violating lease terms or making the building less desirable for others not only by making the process slower, but also by imposing additional evidentiary burdens;
 - Encouraging landlords, especially those who are not full-time property managers, to screen tenants more rigorously (which could further limit the opportunities of low-income tenants).
- By refusing to consider nonpayment as a good cause if any of the rent due stemmed from an “unreasonable” rent increase of more than the greater of three percent or 1.5 times the CPI, the proposal would apply to rent increases that have been close to the annual change in median rent in New York City over the last 15 years, and therefore may function not as an anti-gouging rule but as more general rent regulation. But the costs and benefits of expanding rent regulation in New York City and across New York State have not been fully debated as part of the discussion on good cause.

Worse Case Scenario

The Washington Post
Democracy Dies in Darkness

A 'perfect storm' of problems pushes D.C. toward full-blown housing crisis

Unpaid rent, rising costs and a lack of public funds are putting affordable-housing developers at risk of financial collapse.

September 25, 2024

Rising development costs and skyrocketing rent delinquencies — stemming in part from D.C.'s pandemic-era eviction moratorium and emergency rental-assistance program — are exacerbating what was already considered a housing affordability crisis, with providers of low-income housing scrambling to stay in business.

A flood of challenges in the District is bringing construction of low-income housing to a virtual halt and threatening to leave many of the city's most vulnerable residents without a viable place to live.

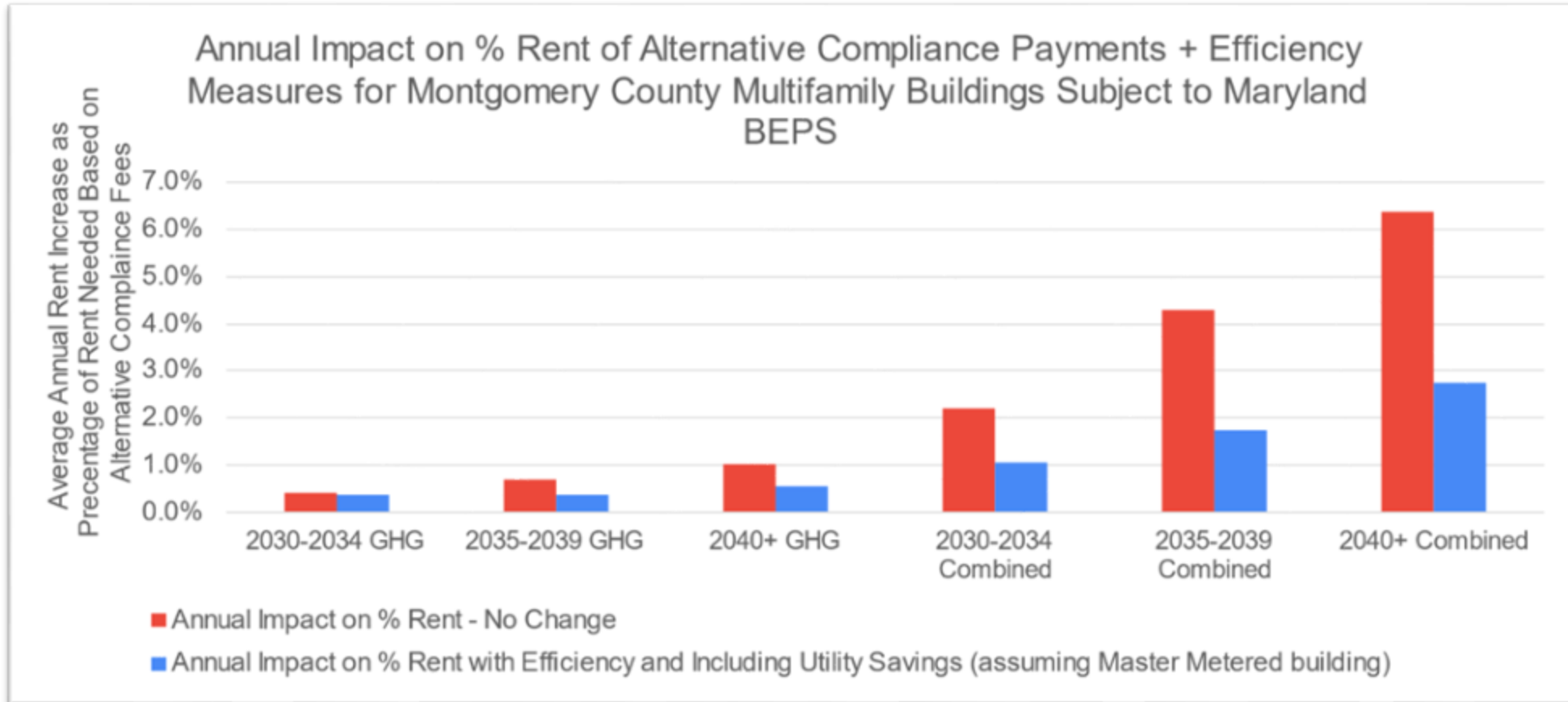
Marginal Cost of State BEPS

Table 6 EEM package for Maryland BEPS compliance

Energy, Cost, Lifespan, and Simple Payback												
#	EEM Category	Name	Incremental Site EUI Savings (%)	Electric Savings (kWh/Yr)	Natural Gas Savings (therms/Yr)	Direct GHG Emissions Savings (kgCO ₂ e/SF)	Measure Cost /SF	BAU Cost/ SF	Marginal Cost/ SF	Simple Payback (Yrs)	Marginal Cost Simple Payback (Yrs)	Lifespan (Years)
1	Load Reduction	DHW Piping Insulation	<1%	-	600	0.02	\$0.02	-	\$0.02	4	4	15
2	Load Reduction	Water Treatment	4%	3,400	2,400	0.12	\$0.12	-	\$0.12	3	3	8
3	Load Reduction	Lighting Upgrade	<1%	8,400	-	0.00	\$0.02	-	\$0.02	2	2	10
4	Load Reduction	Low Flow Fixtures	<1%	23,200	400	0.02	\$0.08	-	\$0.08	<1	<1	3
5	Load Reduction	Building Controls Upgrades	6%	37,100	2,100	0.11	\$0.78	-	\$0.78	10	10	15
6	Load Reduction	Programmable Thermostats	1%	4,000	500	0.03	\$0.27	-	\$0.27	EUL	EUL	10
7	Electrification	DHW System Upgrade	9%	-43,800	7,200	0.36	\$5.16	\$0.68	\$4.49	EUL	EUL	15
8	Load Reduction	CW to DHW Heat Exchanger	1%	-	800	0.04	\$0.74	-	\$0.74	EUL	EUL	5
9	Electrification	Cooking Fuel Conversion	2%	-30,400	2,600	0.13	\$1.50	-	\$1.50	EUL	EUL	30
10	Envelope Improvement	ENERGY STAR Doors and Windows	10%	28,800	6,200	0.31	\$7.32	\$6.08	\$1.24	EUL	EUL	20
Totals for Interim 1 Site EUI and Direct Emission Target			34%	30,700	22,800	1.14	\$16.01	\$6.76	\$9.26	-	-	-
11	Load Reduction	Appliance Retrofit	<1%	13,000	-	0.00	\$0.95	\$0.25	\$0.70	EUL	EUL	10
13	Envelope Improvement	Air Barrier Continuity	1%	23,400	300	0.02	\$2.68	-	\$2.68	EUL	EUL	20
12	Electrification	HVAC System Upgrade	8%	-124,500	11,600	0.57	\$17.66	\$1.17	\$16.49	EUL	EUL	15
Totals for Interim 2 Site EUI and Direct Emission Target			44%	-80,800	34,400	1.71	\$37.30	\$8.18	\$29.13	-	-	-
14	Envelope Improvement	Roof Insulation	<1%	2,500	700	0.11	\$4.10	\$3.07	\$1.03	EUL	EUL	20
15	Envelope Improvement	Exterior Wall Insulation	2%	3,900	2,200	0.03	\$13.60	-	\$13.60	EUL	EUL	20
TOTALS (Measures to Meet Maryland BEPS)			47%	-51,000	37,600	1.84	\$55.10	\$11.25	\$43.85			

- Four-story Naturally Occurring Affordable Housing built in the 1970s.
- Measures likely to be common for MF buildings.
- Marginal costs is the difference between business as usual (BAU) and complying with BEPS.
- End of Useful Life (EUL) means most measures do not produce enough savings to offset costs over the lifespan of the equipment.
- Several measures do not have a BAU because they would not be done without BEPS, due to poor payback or limited benefit.
- Does not include:
 - Heavy up costs
 - Financing costs
 - Loss of tenant income due to tenant displacement

Alternative Compliance Fees = Large Rent Increases



NYU
Furman
Center



*Critical Land Use
and Housing Issues
for New York State
in 2024*

NO

4



Balancing Act: Navigating the Tradeoffs of Good Cause Eviction Legislation

Executive Summary

What is “good cause”?

- In principle, good cause is intended to enhance tenant stability by limiting evictions and refusals to renew leases or continue tenancies, and by discouraging unexpectedly large rent increases.
- The only specifics publicly available about what exactly a good cause requirement would involve in New York State are in a bill Senator Julia Salazar and Assemblywoman Pamela Hunter last introduced in 2023. The bill expansively defines “residential premises” to include a broad array of housing types such as rental units not already rent-regulated, sublets, and leases within coops and condos.
- The bill prohibits either evictions or refusals to renew leases or continue tenancies except upon a showing of “good cause.” Good cause is defined to include scenarios where tenants fail to pay rent, violate lease terms, or engage in nuisances or illegal activities, and some circumstances in which the owner seeks occupancy for herself or for her family.
- The proposed legislation treats non-payment as “good cause” only if no part of the rent due stemmed from rent increases above the larger of 3 percent or 1.5 times the previous year’s annual Consumer Price Index (CPI) change.

The Benefits and Risks of Good Cause Requirements

- About 710,000 rented houses and apartments in New York City could be covered by the good cause requirement as proposed. This provision, similar to rent regulation, would apply irrespective of household income. Notably, the households in potentially covered units generally report higher median incomes—\$62,964 compared to \$54,000 for all non-NYCHA renter households.
- Evictions and housing instability imposes tremendous harms on households, many of which have children. Finding ways to prevent those harms is crucial.
- But good cause requirements also pose risks of harm; the challenge is to find ways to minimize housing instability while also minimizing the costs that could result from a good cause requirement.



- The risks of a good cause requirement include:
 - Discouraging investment in both the maintenance of existing housing and the development and maintenance of new rental units (which will in turn limit housing supply);
 - Lengthening how long it will take to resolve eviction filings beyond the 133 days the median case of tenants who were represented by counsel took in the most recent years for which complete data is available;
 - Increasing the cost of resolving disputes with tenants who are not paying rent, violating lease terms or making the building less desirable for others not only by making the process slower, but also by imposing additional evidentiary burdens;
 - Encouraging landlords, especially those who are not full-time property managers, to screen tenants more rigorously (which could further limit the opportunities of low-income tenants).
- By refusing to consider nonpayment as a good cause if any of the rent due stemmed from an “unreasonable” rent increase of more than the greater of three percent or 1.5 times the CPI, the proposal would apply to rent increases that have been close to the annual change in median rent in New York City over the last 15 years, and therefore may function not as an anti-gouging rule but as more general rent regulation. But the costs and benefits of expanding rent regulation in New York City and across New York State have not been fully debated as part of the discussion on good cause.

Alternative, Additional, or Complementary Strategies for Promoting Housing Stability

- An examination of good cause legislation in cities like Seattle and states like Oregon and California reveals a range of approaches that might help policymakers in New York State fairly balance the benefits and risks of a good cause requirement:
 - Exempting the smallest buildings, which have the lowest eviction filing rates, are often managed by owners who are not full-time professional property managers, and often provide some of New York City’s least expensive and most stable housing;
 - Exempting institutional buildings;
 - Exempting new buildings;
 - Adding as good cause grounds such issues as chronic late payment and demolition or conversion of the building;
 - Increasing the range of rents presumed “unreasonable” to more effectively target exceptionally sharp increases;



- Reviewing procedural issues such as the length of the notice tenants should receive about rent increases, lease violations, and the end of the tenancy; the interaction between good cause requirements and other protections such as anti-retaliatory eviction presumptions; and the standards for overcoming presumptions of reasonableness or retaliatory or discriminatory motives.
- Policymakers also should consider how the benefits and risks of a good cause requirement compare to such alternatives as:
 - Expanding targeted housing subsidies, such as vouchers or renter’s tax credits, that can directly address the affordability challenges that lead the population most at risk to face eviction filings;
 - Enhancing legal support for tenants and investing in Housing Court infrastructure to improve the efficiency and fairness of eviction proceedings;
 - Exploring alternatives like flexible rent payment schedules, incentives for timely payments, reporting to improve credit scores, and mediation services for landlord-tenant disputes;
 - Providing more effective and timely services to help landlords navigate situations in which a tenant’s behavior is harmful or troublesome to others in the building;
 - Implementing anti-gouging standards on their own to prevent landlords from imposing unusually steep rent increases during times of market disruption;
 - Establishing a statewide rental registry system, which could foster more transparency in the rental market by requiring landlords to report rents and any annual increases, thereby helping lawmakers make more informed policy decisions.

Conclusion

The complexities surrounding good cause legislation highlight the need for a nuanced approach that protects housing stability for tenants without imposing undue risk to an already stressed rental market. Policymakers must weigh the benefits of a good cause requirement against the potential it has to negatively affect housing development and affordability for all current and prospective renters.

Introduction

Progress on proposals to address the housing shortage that is contributing to high housing prices and rents across New York State stalled last year in part because of disagreements over whether measures to encourage new construction would be packaged with legislation to prevent landlords from evicting tenants or refusing to renew their leases except for “good cause.”¹ Resolving those disagreements is seen as critical to movement on housing issues in 2024 as well. While Assembly Speaker Carl Heastie and Senate President Andrea Stewart-Cousins have said they support “good cause” in principle, neither have come forward publicly with a specific legislative proposal to implement that principle.²

Research shows that promoting housing stability and preventing evictions avoids enormous harm. Evictions lead to worse physical and mental health³ and increased hospital visits,⁴ and are associated with adverse childbirth outcomes.⁵ They have lasting effects on future earnings and access to credit.⁶ They lead to homelessness, and future housing instability.⁷ The harms of eviction are especially likely to fall on Black renters,⁸ and households

1. Zaveri, M. (2024, January 3). When Will New York Solve Its Housing Crisis? Probably Not This Year. *The New York Times*. <https://www.nytimes.com/2024/01/03/nyregion/nyc-housing-crisis-hochul.html>; Ferré-Sadurní, L. (2023, June 8). N.Y. Democrats, at Odds Over Tenant Protections, Fail to Reach Housing Deal. *The New York Times*. <https://www.nytimes.com/2023/06/08/nyregion/housing-good-cause-eviction.html>

2. See Heastie, C. (2023, June 8). Joint Statement from Senate Majority Leader Andrea Stewart-Cousins and Assembly Speaker Carl Heastie. *New York State Legislature*. <https://nyassembly.gov/Press/?sec=story&story=106381> (“All three chambers must immediately redouble our efforts and come up with a plan that the governor will sign into law. This plan must prioritize not only the construction of new units of affordable housing but also robust protections for tenants including good cause eviction.”); see also Janaro, C. & Whitford, E. (2024, January 9). Hochul’s Housing Approach Stirs Questions About Tenant Protections, Developer Incentives. *City Limits*. <https://citylimits.org/2024/01/09/hochuls-housing-approach-stirs-questions-about-tenant-protections-developer-incentives/>; Cuevas, E. (2023, March 20). Showdown Set On ‘Good Cause Eviction’ Amid State Budget Deadline, Court Fights. *Lohud*. <https://www.lohud.com/story/news/2023/03/20/good-cause-eviction-showdown-amid-new-york-state-budget-talks/70020380007/>

3. Acharya B., Bhatta D., & Dhakal C. (2022). The risk of eviction and the mental health outcomes among the US adults. *Preventative Medicine Reports* 29:101981. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9502670/>; Bradford, A.C. and Bradford, W.D. (2020). The effect of evictions on accidental drug and alcohol mortality. *Health Serv. Res.* 55:9–17. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6980953/>; Vásquez-Vera, H., Palència, L., Magna, I., Mena, C., Neira, J., & Borrell, C. (2017). The threat of home eviction and its effects on health through the equity lens: A systematic review. *Social Science and Medicine* 175, 199–208. <https://www.sciencedirect.com/science/article/abs/pii/S0277953617300102>; Matthew, M. & Tolbert Kimbro, R. (2015). Eviction’s Fallout: Housing, Hardship, and Health. *Social Forces* 94:1, 295–324. <https://academic.oup.com/sf/article-abstract/94/1/295/1754025>; Yerko Rojas Y. & Stenberg S. (2016). Evictions and suicide: A follow-up study of almost 22,000 Swedish households in the wake of the global financial crisis. *Journal of Epidemiology and Community Health* 70:4, 409–13. <https://jech.bmj.com/content/70/4/409>.

4. Collinson, R., Humphries, J.E., Mader, N., Reed, R., Tannenbaum, D. & van Dijk, W. (2024). Eviction and Poverty in American Cities, *Quarterly Journal of Economics* 139 (1): 57–120. <https://doi-org.proxy.library.nyu.edu/10.1093/qje/qjad042>.

5. Himmelstein G, Desmond M. (2021). Association of Eviction With Adverse Birth Outcomes Among Women in Georgia, 2000 to 2016. *JAMA Pediatrics*, 175(5): 494–500. doi:10.1001/jamapediatrics.2020.6550

6. Collinson, R., Humphries, J.E., Mader, N., Reed, R., Tannenbaum, D. & van Dijk, W. (2024). Eviction and Poverty in American Cities, *Quarterly Journal of Economics* 139 (1): 57–120. <https://doi-org.proxy.library.nyu.edu/10.1093/qje/qjad042>.

7. Crane, Maureen, Warnes, Anthony M. (2000). Evictions and Prolonged Homelessness. *Housing Studies*. 15:5, 757–773, DOI: 10.1080/02673030050134592; Abramson, Boaz. (December 15, 2021). The Welfare Effects of Eviction and Homelessness Policies. SSRN: <https://ssrn.com/abstract=4112426> or <http://dx.doi.org/10.2139/ssrn.4112426>; Richter, Francisca Garcia-Cobián; Coulton, Claudia; Urban, April; Steh, Stephen. (2021). An Integrated Data System Lens Into Evictions and Their Effects. *Housing Policy Debate*. 31:3-5, 762-784, DOI: 10.1080/10511482.2021.1879201

8. Graetz, N., Gershenson, C., Hepburn, P., & Desmond, M. (2023). A Comprehensive Demographic Profile of the US Evicted Population, PNAS 120. <https://doi.org/10.1073/pnas.230586012>. (Black Americans make up only about 19% of all renters, but are 51% of those affected by eviction filings and 43% of those actually evicted); see also Hepburn, P., Louis, R., & Desmond, M. (2020). Racial and gender disparities among evicted americans. *Soc. Sci.*, <https://doi.org/10.15195/v7.a27>.



with children.⁹ Protecting tenants from price-gouging—landlords raising rents significantly to take unfair advantage of unexpected disruptions in the housing market—can help prevent evictions and their harms, but also help avoid situations in which households are not taking care of their health or other critical needs in order to pay the increased rent.

There are potential tradeoffs that must be weighed against the benefits of securing housing stability through an instrument like this, however: efforts to promote stability may discourage investment in maintaining existing rental housing and building new homes; raise the screening hurdles households seeking rental housing face; and increase rents in smaller buildings that have typically offered some of the lowest, and most stable, rents. At a time when New York City is facing the lowest vacancy rate in more than fifty years,¹⁰ finding ways to protect the stability of the most vulnerable low-income tenants without imposing inordinate costs and risks on the development and operation of rental housing is both extremely difficult and absolutely critical.

To help elevate the debate on the best way forward, we first explore the implications a good cause requirement might have for tenants, households searching for an apartment, and owners and developers of rental housing (and their investors). We then review how other states and cities have implemented restrictions on landlords' ability to evict a tenant or refuse to renew a lease, in order to learn from their experiences. Finally, we suggest alternative, additional, or complementary strategies for enhancing housing stability that policymakers ought to consider. These strategies aim to balance the need to secure the benefits of greater housing stability against the need to minimize the risk that a good cause requirement might pose to an already troubled rental housing market.

9. Graetz, N., Gershenson, C., Hepburn, P., & Desmond, M. (2023). A Comprehensive Demographic Profile of the US Evicted Population, PNAS 120. <https://doi.org/10.1073/pnas.230586012>. (The presence of children in a household significantly increases the risk of eviction. Across the life course, the risk of experiencing an eviction is highest during childhood, page 5); see also Desmond, M. & Gershenson, C. (2017). Who gets evicted? Assessing individual, neighborhood, and network factors. *Social Sci. Res.* 62, 362–377;

10. 2023 New York City Housing and Vacancy Survey: Selected Initial Findings, 21-22 ((Feb. 2024).

Section One: Beyond Statements of Principle, What Might Good Cause Look Like in Practice?

One of the leading proponents of a good cause mandate, Housing Justice for All, describes the principle of good cause as follows:

Good Cause Eviction protects tenants from unreasonable rent hikes and retaliatory or discriminatory evictions. Currently, when a lease expires for most apartments or homes in NY, the landlord can choose not to renew it for any reason and raise the rent as high as they want. As a result, landlords can kick out tenants even for patently unfair reasons—like retaliation for raising concerns about living conditions—and spike the rent.¹¹

The only specifics that have been made public about exactly what a good cause requirement would impose are in a bill that Senator Julia Salazar and Assemblywoman Pamela Hunter introduced in each of the last few legislative sessions.¹² In this brief, we use that bill to illustrate how a good cause requirement might operate and therefore how it might affect tenants, landlords, and the housing market; we do not intend the discussion to be an analysis of the bill itself, and are using it only to give content to the broader principles it seeks to implement. In Section Three, we review the choices other jurisdictions have made about how to shape the principle of good cause into specific legislation.

In sum, the bill would apply to all “residential premises:” apartments; houses; mobile homes and land in mobile home parks; and hotels and rooming houses for tenants who have been in occupancy for at least 30 consecutive days.¹³ It would include rentals in condominiums and cooperatives, and apartments or houses that the primary tenant might sublet, unless the primary tenant seeks to recover the units for their personal occupancy.

11. Housing Justice For All. (2024). “Our Platform: Good Cause.” <https://housingjusticeforall.org/our-platform/good-cause/>.

12. NY Senate Bill No. 305 (2023); NY Assembly Bill No. 4454 (2023); NY Senate Bill No. 3082 (2021); NY Assembly Bill No. 5573 (2021); NY Senate Bill No. 2892-B (2019); NY Assembly Bill No. 5030-B (2019).

13. NY Senate Bill No. 305 (2023).



It excludes: owner-occupied premises with fewer than four units; units already subject to good cause requirements through rent regulation or regulatory agreements governing subsidized affordable housing; and units provided as part of a person's employment if the employment is lawfully terminated.

The bill would prohibit any landlord (including owners of condos or shareholders in coops who sublease their units, or tenants who sublease their apartments unless they are recovering them for personal use) from evicting or recovering possession from a tenant, excluding a tenant from possession, or refusing to renew a lease, unless the landlord could prove to a court that the tenant either:

- Failed to pay rent, unless the rent owed includes amounts resulting from an unreasonable increase. An increase would be presumed to be unreasonable if it exceeds the largest of 3 percent or 1.5 times the annual percentage change in the Consumer Price Index in a calendar year. The landlord could offer evidence, however, to try to rebut the presumption and show that a higher increase was reasonable;
- Is violating a substantial obligation of the tenancy and has failed to cure the violation within ten days of receiving written notice of the violation;
- Is committing or permitting a nuisance, or is negligently or maliciously damaging the unit, or is interfering with the comfort of the landlord or other tenants or occupants of the building or adjacent areas;
- Is using the rental unit or permitting it to be used for an illegal purpose;
- Has unreasonably refused to allow the landlord access to make necessary repairs or improvements required by law or to show the unit to a prospective buyer or lender or other person with a legitimate interest.



There are also several reasons other than the fault of the tenant that a landlord can prove to obtain an eviction or regain possession from a tenant who does not have a lease or whose lease has expired:

- The unit is one for which occupancy is illegal and the tenant’s occupancy will subject the landlord to civil or criminal penalties, if the jurisdiction has issued an order to vacate the property and a court has found both that the tenant must be removed in order to cure the violation and that the landlord did not deliberately or through neglect create the condition that required the vacate order;
- The landlord is in good faith seeking to take back no more than one unit in a building with less than 12 units because of an “immediate and compelling” need to use the unit as the principal residence for the landlord or the landlord’s spouse, parents, in-laws, children or stepchildren, if no other unit is available in the building and the current tenant is neither disabled or aged 62 or older;
- The landlord seeks in good faith to use any or all units within a building with less than 5 units for the landlord’s personal principal residence.



Section Two: Potential Benefits and Risks of a Good Cause Requirement

What Buildings, and Who, Might a Good Cause Requirement Cover?

Many apartments and houses that are rented (we will, going forward, refer to apartments and houses that are occupied by renters as “rented homes”) in New York City are already subject to regulations that limit the landlord’s ability to end the lease. A good cause requirement along the lines of the Salazar/Hunter bill described above accordingly would apply only to New York City renters who now live in a rented home that is not regulated by rent stabilization or rent control or by agreements with, or requirements of, public housing or affordable housing subsidy programs. Further, it is likely that any requirement would provide exemptions for certain unregulated housing. The Salazar/Hunter bill exempts owner-occupied properties with three or fewer units, for example, but as we discuss below, any number of additional exemptions might be applied.

Unfortunately, data about New York City’s housing stock are not neatly broken down into the categories being considered for coverage by the requirement. Our best estimate, relying on microdata from New York City’s 2021 Housing and Vacancy Survey (HVS),¹⁴ is that, of the approximately 2.2 million apartments and houses that are occupied by renters in New York City, about 710,000 might be covered by a requirement that contained exemptions similar to the Salazar/Hunter bill. Approximately 140,000 of that total would be in condominium or cooperative buildings.¹⁵ The remainder would be in unregulated houses or apartments in non-owner occupied buildings (see Sidebar One).

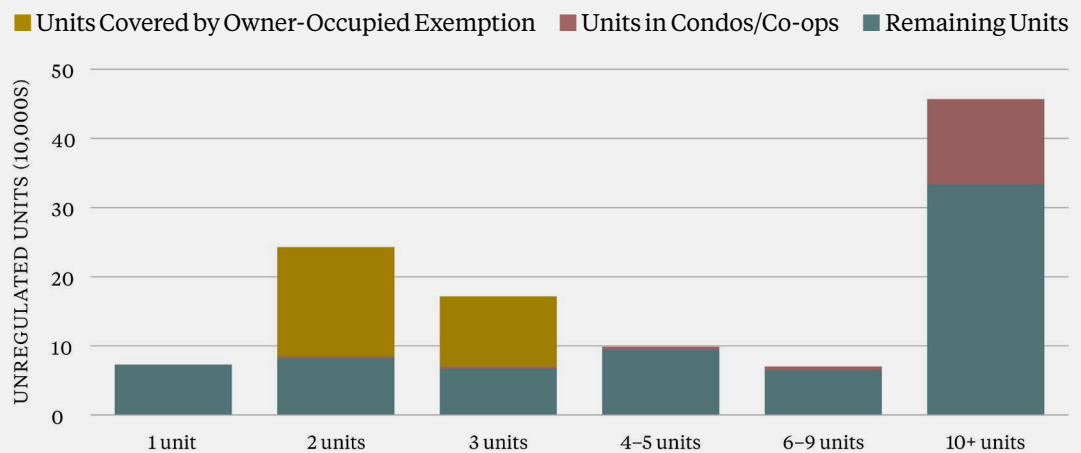
14. Although findings from the 2023 HVS were recently released, as highlighted earlier in note 10, the microdata from the 2023 survey will not be available to researchers for some time, so we must use the 2021 data for some of our analysis.

15. Of 138,071 estimated unregulated rented homes in condominium and cooperative units, most (~129,000) are in 6+ unit buildings.

Sidebar One: What Kinds of Housing Might a Good Cause Requirement Cover in New York City?

Using data from the 2021 New York City Housing and Vacancy Survey (the most recent available in sufficient detail), Figure One provides our best estimate of the number and types of rented homes in New York City that could fall under a good cause requirement, accounting for owner-occupancy and the absence of other regulatory restrictions on eviction or refusal to renew the lease. The data behind Figure One is presented in Table A-1 in the Appendix.

Figure One: Estimated Count of Rented Homes that Might Be Covered by a Good Cause Exemption, by Number of Units in Building and Exemption Reason



Source: New York City Housing and Vacancy Survey (2021), NYU Furman Center

We do not have data that would allow us to estimate with precision how many rented homes might be covered by a good cause requirement similar to the Salazar/Hunter bill in parts of New York outside New York City. There are approximately 1,200,000 rented homes in the state outside of the five boroughs. About 1 million of those renters are unlikely to be covered by rent regulation because relatively few jurisdictions outside of New York City have adopted such regulation. But some are covered by regulatory agreements or legal requirements imposed by subsidized or public housing programs, and some likely will be exempted from a requirement because they are owner-occupied. Approximately 700,000 of those rented homes (58% of the rented homes outside New York City) are in one- to four-unit buildings.¹⁶

16. 2021 1-year ACS



The lack of precise data also does not allow us to parse out the characteristics of the renters in the different kinds of buildings that might be covered by a good cause requirement. We can report some of the characteristics of New York City renters who live in unregulated rented homes (which will include some households living in buildings, such as owner-occupied two- and three-unit properties, that a good cause requirement might exclude). Table One compares all New York City renter households in unregulated rented homes to the renter households living in rent-stabilized and rent-controlled rented homes. It shows distinct differences: Tenants in unregulated rented homes tend to face higher rents, with 28.2 percent paying a monthly rent of more than \$2,300, compared to 14.3 percent in regulated rented homes. Tenants in unregulated rented homes experience fewer maintenance issues (8.0% vs. 21.5%). The head of the household in unregulated rented homes is more likely to be white, and renters in unregulated rented homes have significantly higher median household incomes than those in regulated rented homes. Households in unregulated rented homes are much less likely to have members who are over 65 or have a disability than those in regulated rented homes.

Table One: Characteristics of Tenants in Unregulated Rented Homes (Those Most Likely to be Covered by a Good Cause Mandate) Compared to Tenants in Regulated Rented Homes

	<i>Regulated</i>	<i>Unregulated</i>
Median Household Income of Tenants (2021\$)	\$46,800	\$62,964
Share of Households with Rents Above \$2,300	14.3%	28.2%
Share of Households Moderately Rent Burdened	19.9%	20.5%
Share of Households Severely Rent Burdened	31.0%	28.8%
Share of Households That Missed One or More Rent Payments in the Prior Year	16.0%	9.8%
Share of Households in Homes with 3+ Maintenance Deficiencies	21.5%	8.0%
Share of Households with a Black Head of Household	21.9%	17.7%
Share of Households with a Hispanic Head of Household	33.5%	24.5%
Share of Households with a White Head of Household	32.0%	38.7%
Share of Households with a Member Under 18	18.7%	21.9%
Share of Households with a Member 65 or Older	31.8%	18.7%
Share of Households with a Member with Disabilities	22.9%	13.2%

Source: New York City Housing and Vacancy Survey (2021), NYU Furman Center



A good cause requirement covering unregulated rented homes likely would have the most impact on those tenants facing eviction proceedings. Of those, only a small fraction are in smaller buildings: In 2023, 13,613 eviction actions, or 10.8 percent of all evictions filed, were against renter households in one- to five-unit buildings in New York City, even though smaller buildings make up 27.9 percent of all rental housing units. Assuming each filing represents a unique household, this total was 1.8 percent of all renter households living in smaller buildings.¹⁷ For tenants in larger buildings (with six or more residential units), it is challenging to produce an accurate estimate because a good cause requirement would cover only the unregulated units and no data is publicly available about which units are regulated (and thus which filings come from regulated units). Overall, in 2023 there were 92,981 eviction actions filed against renter households residing in buildings with six or more units in New York City. Assuming, again, that each filing represents a unique household, this total is 5.9 percent of all renter households living in larger buildings. However, because buildings with 100 percent regulated units have higher filing rates than buildings with no regulated units, many of the 92,981 filings would likely not be covered by the good cause proposal because they are covered by rent stabilization.¹⁸

Other households who might benefit from a good cause requirement include those who (if there were no requirement) might move out of their homes without litigating the issue after the landlord refused to renew the lease, or those who might move out after the landlord threatened to pursue an eviction action. Unfortunately, we cannot rely upon data from Housing Court or from publicly available data sources to estimate those numbers. The Community Service Society’s 2023 “Unheard Third” survey, however, finds that the share of low-income tenants who reported informal eviction attempts such as non-renewals was approximately ten percent in 2020 and 2023, after declining from 2019, then rising again during the pandemic.¹⁹

17. This estimate may be slightly inaccurate for two reasons. First, multiple eviction actions could be filed against the same household, which would lower the overall share of households involved in eviction actions. Second, we can’t account for which eviction actions were filed against households in those small buildings that would be exempted from the good requirement because they are owner occupied.

18. No data is publicly available about which rented homes in a building are regulated. For that reason, it is impossible to tell the share of the renters in unregulated rented homes in larger buildings who might benefit most directly from a good cause requirement because they might have an eviction filed against them. With that said, the eviction filing rate is lower in buildings with higher shares of unregulated units than in buildings with higher shares of regulated units. In 10+ unit buildings in 2023, the eviction filing rate was 1.76 in buildings with 0% rent regulated units, 1.21 with 25%, 2.4 with 50%, 4.5 with 75%, and 8.1 with 100% share rent stabilized units.

19. Mironova, O., Stein, S., & Thompson, I. (2024, January). Right to Counsel Works: Why Won’t the City and State Use it to Stop More Evictions? *Community Service Society*. <https://www.cssny.org/publications/entry/right-to-counsel-works-why-wont-the-city-and-state-use-it-to-stop-more-entic>. Some waves of the Poverty Tracker, a panel survey of around 4,000 adults in New York City also asked respondents about “forced moves,” a category that includes formal evictions, moves prompted by the landlord telling the household to leave, the household leaving after missing a rent payment and worrying about eviction, condemnation of the building, landlord harassment, and property foreclosure. A 2019 analysis by the Tracker estimated that between 2016 and 2017, and between 2017 and 2018, about 2% of renter households in unregulated apartments (about 25,000 households) had been forced to move. The data do not allow us to isolate refusals to renew in that number. Collyer, Sophie, & Bushman-Copp, Lily. (2019, May). Spotlight on Forced Moves and Eviction in New York City. Columbia Population Research Center. <https://static1.squarespace.com/static/610831a16c95260dbd68934a/t/61129bdebf4a2d29d8c53d60/1628656948830/NYC-Poverty-Tracker-Forced-Moves-Eviction-2019.pdf>.



It’s difficult to estimate how many of the approximately 710,000 renter households who would be covered by the proposed good cause requirement would actually benefit from a good cause requirement because only a small fraction of the renters in those homes would be likely to face formal or informal eviction threats. Even those renter households who would be covered by a good cause requirement may not be able to retain their homes in the face of such threats because the landlord may be able to prove good cause for an eviction filing or non-renewal.

Like New York’s rent control and rent stabilization laws, the Salazar/Hunter bill would not limit the good cause requirement to low-income households. Many of those who would be covered by a good cause requirement are low-income households, to be sure (39% of the households in unregulated rented homes had annual incomes of less than \$50,000 in 2020, the median for all renters in the City). On average, however, households in unregulated rented homes have larger annual incomes than those living in regulated homes, and are less likely to have missed one or more rent payments in the prior year. Measures to increase housing stability can benefit households at all levels of income, but how well the protections target the most vulnerable New Yorkers is a consideration in assessing the tradeoffs a good cause requirement poses, and in considering alternatives to good cause.

What Level of Rent Increases Would a Good Cause Requirement Constrain and What Are Possible Implications?

As noted above, advocates for the Good Cause requirement argue that it will “protect[] tenants from unreasonable rent hikes.” The Salazar/Hunter bill prohibits a landlord from evicting a tenant if the cause asserted is nonpayment of rent and any part of the rent due stems from an “unreasonable” rent increase. The proposal defines any increase above three percent or 1.5 times the increase in the regional Consumer Price Index²⁰ (CPI) as unreasonable, but allows the landlord to introduce evidence to disprove that.

The purpose of the provisions in the Salazar/Hunter bill regarding the reasonableness of rent increases is not entirely clear. If the intent is to regulate general rent increases in the rented homes that are now exempt from rent-regulation, as many opponents fear, we should be having a fulsome discussion about the advantages and disadvantages of expanding the

20. The Salazar/Hunter bill specifies that the change in the CPI be measured between the August to August period of the prior year.



rent-regulation system to a broader stock of rented homes across New York City,²¹ and overriding what is now a local decision about whether to impose rent regulation with a state-wide definition of what rent increases in unregulated buildings are reasonable.²² We take the proponents of a good cause requirement at their word, however, and assume that the purpose is to regulate the extraordinarily steep rent increases described in calls for the requirement,²³ or what many would consider “price-gouging.”

What do the data show about annual rent changes in New York City?

Our ability to assess how a good cause requirement might restrain unusually sharp rent increases in New York City unfortunately is limited by the lack of reliable data that would allow us to differentiate typical from atypical rent increases upon lease renewal. Ideally, to discern the full scale of year-over-year changes in rent, we would have historical data on the rent charged in each rental unit in the City, which would allow analysis of how that unit’s rent changed over time. We also would need to know whether the rent change applied to lease renewals or upon turnover, and whether a rent increase was coupled with capital investment in the building or unit.

Such data are not available. What we have instead is four different datasets that each provide some insight into how the median rent of New York City’s rental stock has changed over time.²⁴ The available data allow us to identify a range and average of year-over-year changes in median rent and show how those compare to standards like the Salazar/Hunter reasonableness definition.

21. Because there is no legal way to prevent future legislatures from using the definition of “reasonable” rent increases to impose a more general rent regulation system in the future, even the discussion of an anti-gouging approach should recognize the risk that it may make more general rent regulation more likely in the future.

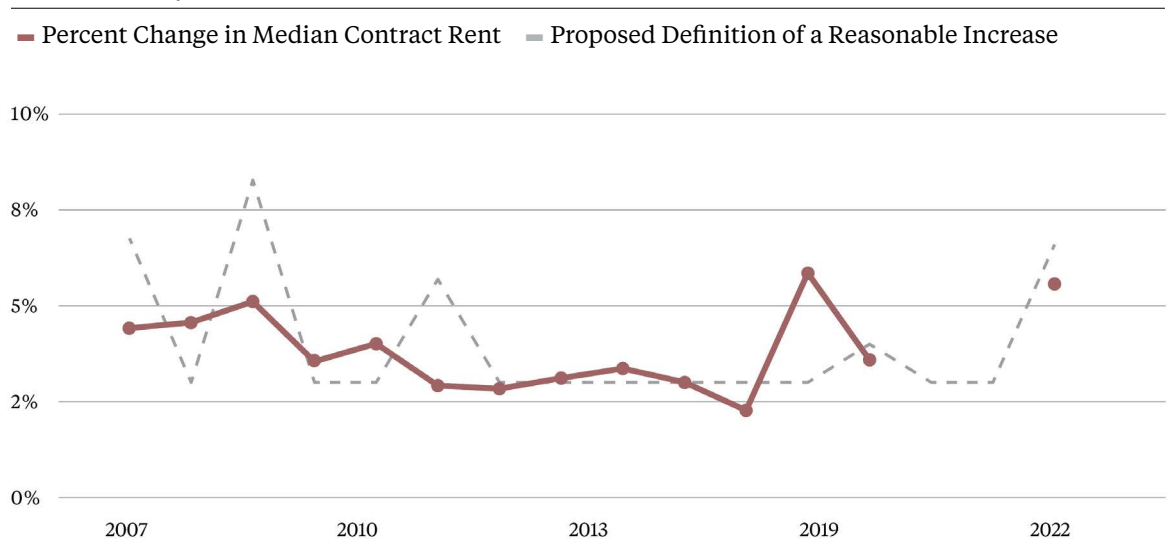
22. The Housing Stability and Tenant Protection Act, 2019 N.Y. Sess. Laws Ch. 36 (McKinney), allows any city with a population of less than one million, and any town or village in the state to “opt in” to rent regulation if it establishes that it is facing a housing emergency. If an emergency exists, the statute requires the relevant county to establish a rent guidelines board that will determine allowable rent increases pursuant to the Emergency Tenant Protection Act of 1974, N.Y. Unconsol. Law § 8623 (McKinney). A good cause requirement that includes an anti-gouging restriction on rent increases, however, likely would apply to a different set of buildings than rent regulation under the Emergency Tenant Protection Act would cover.

23. Beer, I. S. (2022, July 13). Rising Back Up: How Higher Rents Are Impacting NYC Tenants And Small Landlords Alike. amNY. <https://www.amny.com/news/rising-back-up-higher-rents-impacting-nyc-tenants-landlords/> (“Some of the highest rent increases we’ve seen with our membership [include] a member in Brooklyn who’s getting a \$1,200 increase,” said Hernandez. “We have a member in Queens who is getting a \$900 increase. These are outrageous rent increases and obviously a big part of that issue is the lack of regulation.”); see also Chang, C. (2022, December 21). The Year in Rent. Curbed. <https://www.curbed.com/2022/12/new-york-city-record-rents-2022.html>; Clio Chang, The Year in Rent, Curbed (Dec. 21, 2022), <https://www.curbed.com/2022/12/new-york-city-record-rents-2022.html>.

24. Several data sources are available to analyze the year-over-year changes in New York City’s unregulated rental stock, but each has limitations. Broker-reported data provide timely information on actual median monthly rents but do not fully represent the city’s unregulated market because these data tend to be skewed towards the rents charged on new leases in higher-cost market segments and overlook renewal leases. The US Census offers another source of information through its 1-Year and 5-Year American Community Survey (ACS). The 1-Year ACS, though the more current, relies on a smaller sample size, which may affect its accuracy. The 5-Year ACS provides a larger sample but aggregates data over a longer period, making it less suitable for precise year-over-year change analysis. Both also lack the ability to isolate unregulated rented homes. The most current Census data also lags behind the market by as much as two years, and the 2020 data is considered unreliable because of the difficulties the pandemic caused the census. The New York City Housing and Vacancy Survey (HVS) sheds valuable light on a broader spectrum of unregulated apartments, but like the 5-Year ACS, its most recent data is from 2021, and it covers a period longer than one year (3 or 4 years), posing challenges for year-over-year evaluation. In general, the datasets do not allow us to isolate lease renewals from rents charged on turnover. Further details on these data sources and what they show can be found in the appendix.

The broadest representation of median year-over-year percent change comes from the US Census Bureau’s 1-year American Community Survey. Figure Two shows how increases at the greater of three percent or one and a half times the annual change in CPI of the prior year’s August to August period (the Salazar/Hunter bill’s definition of a reasonable increase) compare to percentage changes in median contract rent (the monthly rent agreed to without adjustments for utilities or other payments), shown in year-over-year terms.²⁵

Figure Two: Percent Change in Median Contract Rent Relative to the Salazar/Hunter Bill’s Definition of a Reasonable Increase
New York City, 2006-2022, 1-Year ACS



Sources: American Community Survey, NYU Furman Center

Figure Two shows that the proposed Salazar/Hunter bill's definition of reasonableness definitely would exclude exceptionally large rent increases. However, when examining over a 15-year period, between 2007 and 2022, the average the annual percentage change in median rent was 3.87 percent.²⁶ and the Salazar/Hunter bill, if applied during the same period, would have averaged to a 4.02 percent, implying that in both year-over-year terms and in the long run, the rent increase threshold closely tracked with changes in median rent.²⁷

25. Contract rent refers to the actual rent agreed upon or contracted for, regardless of any furnishings, utilities, or services that might be included. It is the rent amount that a tenant pays specifically for the use of the rental unit itself.

26. The average margin of error for the average annual percentage change is +/- .95%.

27. Including 2023 and 2024 in the average calculation would raise the annual average of the proposed Good Cause Cap to 4.43 percent (2007-2024).



In the Appendix, we test the three other possible sources of rental data and explain their advantages and disadvantages for trying to better understand the extent to which tenants are being confronted with large year-over-year rent increases. While the variation from year-to-year differs across the datasets, each one fairly consistently shows that the annual percentage change in median rent has hovered around the percentage change deemed unreasonable in the proposed bill.

How might the constraints on rent increases affect the unregulated rental market?

The effect of the Salazar/Hunter proposal’s presumptions about what constitutes a reasonable increase apply only to prevent a landlord from using nonpayment as the cause for evicting a tenant if any of the rent due and owing from the tenant stems from an “unreasonable” rent increase. Given the limited scope—applying only to tenants being evicted for failure to pay the rent due—one might argue that the reasonableness provision will have little effect on most rents.

Several concerns arise about the risks that the Salazar/Hunter definition of reasonableness might pose, however. First, because the definition of an unreasonable increase is so close to the actual annual percentage change in median rent over the past fifteen years, if those trends continue, a significant share of renters could be able seek to block an eviction for nonpayment under the reasonableness definition contained in the proposed bill. Indeed, tenants who believe their rent has been increased by more than the “reasonable” level could refuse to pay, and under the terms of the legislation, the landlord would then not be able to evict for the nonpayment. Not all tenants will challenge the increase in that way, of course, because being involved in a housing court action imposes stress and costs on tenants. But a landlord will not know which tenants will fail to pay for reasons unrelated to the increase, or refuse to pay to challenge the increase, so may try to hew to the definition of reasonable. That dynamic will make the good cause requirement more like general rent regulation.

Second, setting an allowable increase every year (as the definition of “reasonable” does) may end up incentivizing more landlords to attempt to raise the rent up to that limit each year. Professional management companies and landlords with considerable property management experience are likely already increasing rents to the highest level that



market competition and the risk of vacancies, should tenants leave due to rent hikes,²⁸ will allow. But the available evidence about the ownership of smaller buildings suggests that only a quarter of those properties are owned by corporate entities or full-time investors or managers.²⁹ Most are owned by retirees, self-employed people or people employed either full-time or part-time in professions other than the investment and management of rental properties.³⁰ Both the nationwide and HVS data indicate that smaller unregulated buildings are generally lower cost than larger unregulated buildings.³¹ That may reflect the condition or quality of the building, or of its services, but it also might reflect owners' lack of information about the market or decisions to keep rents low for existing tenants. We do not know enough about the owners or the conditions of the small buildings that would be covered by the Salazar/Hunter good cause requirements to be sure how they would react to the "reasonableness" standard, but there is a risk that they may use it to impose increases higher than what they typically charge now.³² Of course, in a competitive market where tenants have a lot of options, competition will serve to limit the amount that a landlord, of buildings of all sizes, can charge, but where competition is limited, as New York City's extremely low vacancy rate signals it is,³³ landlords have more power in setting rent increases.

Finally, the "reasonableness" of rents is a factor in other areas of the law, and judges may use the definitions from a good cause requirement in those areas. As explained below, tenants in the units that would be covered by a good cause requirement already enjoy protections against evictions or non-renewals that a judge finds to be the landlord's retaliation for complaints the tenant filed with the landlord or with government agencies. Unreasonable

28. Every month of vacancy reduces a landlord's yearly income from a unit by one-twelfth, or 8.5 percent.

29. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>

30. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>. That information is based upon surveys across the nation, not specifically focused on New York City, and therefore may over-estimate the share of owners who are not full-time managers (although the number of buildings covered by the proposed good cause requirement that are even smaller than the 5- to 49-unit buildings the survey covered may offset that).

31. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>. In New York City, median rents tend to increase by building size. According to the 2021 HVS, the median rent in unregulated rents in non condo/coop units (that are also not owner occupied) is \$1,625 in 1 unit buildings, \$1,600 in 2 unit buildings, \$1,750 in 3 unit buildings, \$1,600 in 4-5 unit buildings, \$2,000 in 6-9 unit buildings, and \$2,150 in 10+ unit buildings.

32. A related concern is whether the limits on the increases that will be considered reasonable will deter landlords from decreasing rents in response to market downturns. The pandemic provides an example: The data reported in the Appendix show that rents decreased as people left the City. When demand rebounded and inflation surged post-pandemic, rents increased sharply. Under the proposed bill's "reasonableness" definition, landlords might have hesitated to lower rents during the pandemic-induced decline in demand, preferring to leave some units vacant while awaiting market clarity. The landlord (regardless of whether they are professional property managers) will weigh the expected losses of refusing to lower rents against the fact that re-renting at a lower rent would reset the base rent to which constraints on increases imposed by a just cause requirement would apply, thereby potentially slowing or constraining the landlord's ability to raise the rent for a number of years once the market improves.

33. 2023 New York City Housing and Vacancy Survey: Selected Initial Findings, 21-22 (Feb. 2024).



rent increases can be proof of retaliation, but no definition is given about what should be considered “reasonable” in the retaliatory eviction protections. Judges may import the definition in a good cause requirement into those retaliation cases, and perhaps into other areas of the law regulating rentals. That, again, could make the definition of reasonableness more like general rent regulation than a limit on unusually sharp increases.

Trying to define what constitutes a “reasonable” rent, or setting any cap on rents poses risks that the amount will be inadequate to support the operating and maintenance of a building, and thereby lead to decreases in the quality and condition of people’s homes. It also poses the risk that the return allowed will not be sufficient to attract investment in new housing and in the buildings covered by the restriction. Anti-gouging approaches try to minimize those risks by targeting unusually high increases. The data discussed above show that the 3 percent or 1.5 times CPI target in the Salazar/Hunter bill is too low for an anti-gouging measure; as discussed below, that can be resolved by adjusting the definition of reasonable. Targeting just the truly unusual increases also will reduce the risks that a good cause requirement will function as a general form of rent regulation, without a full debate about the pros and cons of rent regulation.

How Might a Good Cause Requirement Affect the Number and Cost of Eviction Filings?

Landlord/tenant conflicts in New York are governed by the Real Property Actions and Proceedings Law (RPAPL),³⁴ which provides summary eviction proceedings that are meant to be resolved at a faster pace than a typical civil legal action. The intended fast-track nature of the proceedings reflects in part an attempt to balance the need to provide a fair and full hearing to the tenant against the costs that delay will impose upon the landlord (which are likely to be passed on to current and prospective tenants in the building). Proceeding quickly also reflects the need to balance the rights of the tenant against the interests of other residents whose enjoyment of their homes may be threatened by the tenant’s alleged behavior.

34. N.Y. Real Prop. Acts. Law § 701 (McKinney).



To explore how a good cause requirement would be likely to affect the number, time consumed by, and cost of eviction filings,³⁵ we need to differentiate between two types of cases. The first type of summary eviction case is for nonpayment—the landlord alleges that the tenant has not paid rent owed.³⁶ The second type is a “holdover” action, which gets its name from a tenant “holding over” by staying in a property after the lease has expired. But the definition of a holdover is broader than that—it encompasses all eviction proceedings brought on grounds other than nonpayment of rent, such as situations where the landlord claims that the tenant breached a provision of the lease, or used the premises for illegal purposes.³⁷ To think through how a good cause requirement might affect a landlord’s decision about whether to file an eviction action, it is necessary to understand the processes currently used in Housing Court, which are described in detail in the Primer at the end of the brief.

In the twelve months ending in December 2023, 103,141 eviction cases were brought in New York City’s housing courts for nonpayment; another 20,233 were brought for holdovers. But those numbers may be potentially understated. Between 2017 and 2019, before the pandemic, an average of approximately 144,800 eviction cases were brought each year for nonpayment, and another 28,350 for holdovers. While eviction filings were declining each year before the pandemic, as Figure Two shows, and were likely to decline even further as access to counsel expanded, the number filed in 2023 likely is below where it would have been had those downward trends not been interrupted by the pandemic. Given the effects the pandemic moratoria had in slowing eviction proceedings, once pandemic era arrears are worked through,³⁸ the number of eviction actions may return to the levels trending before the pandemic.

35. As noted in the introduction, eviction filings impose significant harms on tenant; they also cost landlords considerable time and money (which then is factored into the rent for all tenants), impose costs upon the government as it must provide a judicial system to resolve the filings, pay for lawyers to represent the tenants facing eviction, and pay for services for evicted tenants ranging from homeless shelter to increased health care costs and the costs of countering the disruption of an evicted child’s education.

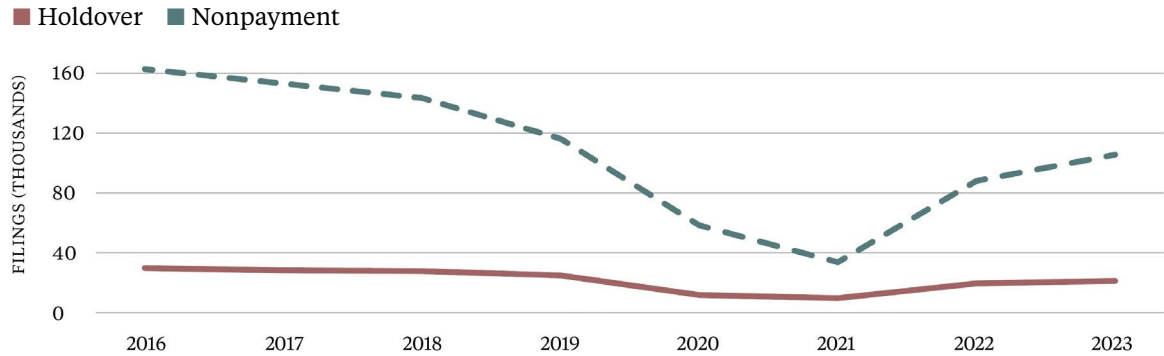
36. N.Y. Real Prop. Acts. Law § 711 (McKinney).

37. Residential Landlord Tenant L. in N.Y. § 8:1.

38. The 2023 Housing and Vacancy Survey included questions about missed rent payments: 13% of all renters, and 18% of renter households with incomes at or below \$49,999 reported missing one or more rent payments in the year before the survey, and 34% of all renters reported that they were in arrears at the time of the survey. 2023 New York City Housing and Vacancy Survey: Selected Initial Findings, 21-22 (Feb. 2024). See also Mironova, O., Stein, S., & Thompson, I. (2024, January). Right to Counsel Works: Why Won’t the City and State Use it to Stop More Evictions? *Community Service Society*. <https://www.cssny.org/publications/entry/right-to-counsel-works-why-wont-the-city-and-state-use-it-to-stop-more-etic> (finding that 20% of those surveyed reported being behind on rent in 2023).

Figure Three: Total Eviction Filings

Cases Filed in New York City from 2016-2023 in Units Other Than NYCHA



Sources: NYS Office of Court Administration, NYU Furman Center

How might a good cause requirement affect nonpayment evictions?

As discussed above, other than anecdotes the media have reported, we do not have data to determine the role rent increases play in nonpayment evictions. Research about what leads to eviction suggests that evictions are primarily driven by such factors as job loss,³⁹ changes in the household composition from, for example, the end of relationships,⁴⁰ deep poverty and chronic financial precarity,⁴¹ and emergencies such as a health crisis or car breakdown.⁴² Those very serious threats to tenant stability are not addressed by a good cause requirement—they require financial and other assistance.

The effect of a good cause requirement on those nonpayment cases where part of the rent due stems from an increase above what the Salazar/Hunter bill defines as reasonable will depend upon how much a requirement raises the landlord’s costs in litigating eviction actions.⁴³ As discussed above, the requirement could lead some tenants to withhold payment and challenge any nonpayment action that includes rents due from an increase that would be considered unreasonable under the Salazar/Hunter proposed legislation. In cases in which the tenant is challenging the reasonableness of an increase, the requirement will force landlords to document the special financial circumstances that justify an increase above the amount deemed “reasonable.” That likely will lengthen the time eviction

39. Desmond, M., & Gershenson, C. (2017). Who Gets Evicted? Assessing Individual, Neighborhood, and Network Factors. *Social Science Research* 62, 362-377. <https://doi.org/10.1016/j.ssresearch.2016.08.017>.

40. Desmond, M., & Perkins, K. L. (2016). Housing and Household Instability. *Urban Affairs Review*, 52(3), 421-436. <https://doi.org/10.1177/1078087415589192>

41. Desmond, M. (2012). Eviction and the Reproduction of Urban Poverty. *American Journal of Sociology*, 118(1). <https://doi.org/10.1086/666082>

42. Affordable Housing, Eviction, and Health. (2021). *Evidence Matters*. <https://www.huduser.gov/portal/periodicals/em/Summer21/highlight1.html>

43. For evidence that increased costs associated with eviction filings drive landlords’ decisions about whether to file, see Gomory, H., Massey, D. S., Hendrickson, J. R., & Desmond, M. (2023). The Racially Disparate Influence of Filing Fees on Eviction Rates. *Housing Policy Debate*, 1-21. <https://doi.org/10.1080/10511482.2023.2212662>.

proceedings take, which both increases further a landlord’s legal costs (as well as the costs to the government of providing legal assistance to low-income tenants facing eviction, and the costs to the judicial system) and delays the recovery of any eventual judgment. Those delays could be especially acute in the first few years after any requirement is put in place, as Housing Court judges determine the procedures and legal questions that the issue of reasonableness would involve.

The added cost of justifying an increase could make a landlord more willing to work out a payment plan outside the eviction process, or less inclined to raise the rent beyond the amount deemed reasonable. But it is also possible that a limit will have either little effect on how often landlords seek to evict for nonpayment (if, for example, the landlord believes that the tenant is not a reliable payer, and therefore considers expected future losses) or lead landlords to invoke grounds in addition to nonpayment to justify the eviction with less costly delays. In addition, the higher the costs of an eviction proceeding, the more the landlord will be likely to take measures to mitigate risk—like more rigorous screening of tenants, as discussed below, to secure tenants more likely to pay the rent, or higher upfront fees charged upon lease signing—and the higher the landlord may need to raise the rents for all tenants to cover the costs imposed by non-paying tenants.

How might a good cause requirement affect holdover evictions?

A good cause requirement will be even more likely to increase the costs to the landlord of dealing with a tenant the landlord considers to be problematic for reasons other than (or in addition to) nonpayment. As explained in the Primer at the end of the brief, if a landlord believes that the tenant has breached the lease in significant ways, committed a nuisance, or used the premises for illegal purposes, and the landlord wants to end the lease before its term expires, the landlord now has to file an eviction action and prove those violations. To the extent the basis for the eviction filing fits under the exceptions in a good cause requirement, the landlord’s path would remain the same. But currently, a landlord who believes a tenant is in breach of the lease or other legal obligations has the option of waiting until the lease term has ended and refusing to renew the lease, rather than seeking an eviction. Similarly, if a tenant does not have a written lease, the landlord can ask the tenant to leave (subject to any notice requirements that might apply). Some tenants will leave when the lease ends and the landlord refuses to renew the lease, or when the landlord tells a tenant without a written lease to leave; others will hold over. Under current law, if the tenant holds over, the landlord must file an eviction action and prove that the lease expired,



or that there is no lease. Under the proposed good cause requirement, however, the landlord would have to prove that the nonrenewal or refusal to allow the tenant to continue in possession was justified by one of the reasons designated as good cause.

That requirement likely will add time and expense to holdover proceedings. Proving instances of lease violations, nuisance, or illegal activity will be more difficult than simply showing that the lease has expired or that the tenant doesn't have a lease. It is difficult to predict how those additional expenses will affect the number of holdover actions, which has hovered between 16 to 22 percent of all eviction actions filed. Landlords will have to take into account the extra costs a requirement would add to a decision to refuse to renew the lease or continue the tenancy without a lease, and will likely make that determination based upon whether the costs of renewing or continuing (such as the probability that the tenant will fall behind on rent in the future, damage the unit, or cause harm to other residents) outweigh the costs of proving grounds for an eviction (as well as the costs of finding a new tenant). If landlords are now refusing to continue tenancies arbitrarily, without good cause, the requirement could reduce eviction filings. If, on the other hand, owners will generally be able to prove good cause, the requirement could have little effect on filings (depending on the costs the requirement imposes), or increase the number of eviction filings if even those tenants who believe that the landlord will be able to establish good cause refuse to leave the rented home because forcing the landlord to go to court almost certainly will give the tenant more time in the unit and more time to find a new home. Even if the landlord is able to establish good cause, the added time the tenant gets to stay in the apartment may increase the amount the landlord will have to try to collect.⁴⁴ If the landlord can't collect the judgment, the landlord will suffer additional loss of income for the time the Housing Court process takes, which as discussed in the Primer at the end of the brief, can be considerable.⁴⁵

Landlords accordingly will have to take into account the extra costs a requirement would add to a decision to refuse to renew the lease or continue the tenancy without a lease, and will likely make that determination based upon whether the costs of renewing or continuing (such as the probability that the tenant will fall behind on rent in the future, damage the unit, or cause harm to other residents) outweigh the costs of proving grounds

44. That does not mean, however, that tenants will not have to pay the back rent – landlords often sell judgments that they do not believe they can collect to collection agencies (for a fraction of the judgment amount), and those agencies likely will continue to try to collect the debt.

45. After 2 adjournments requested by tenant (not including one adjournment by an unrepresented tenant for the purpose of securing a lawyer) or 60 days after first appearance, judges may ("upon consideration of the equities" and in response to a petitioner's motion) order a tenant to deposit rent that comes due after the court's order in escrow with the court. RPAPL §745(2)(a).



for an eviction (as well as the costs of finding a new tenant). While it is difficult to predict how the requirement will affect eviction filings, there is a not insignificant risk that it will increase the frequency of holdover actions.

Research about whether good cause requirements cause eviction filings to decrease is difficult because filing rates may be affected by many different factors both in the national and state economies, and in the local jurisdiction. The one frequently cited study compares four California cities with good cause mandates against other California cities chosen as “controls” because of their similarities to the good cause cities.⁴⁶ The study finds that the difference in eviction filing rates before and after a city enacted a good cause mandate, compared to the difference over the same period in the control city (or cities) (what econometricians call a “difference in difference” methodology) suggests a decrease in the eviction filings in the cities with good cause laws in place relative to the controls. Eviction filing rates did not fall in absolute terms, however, in three of the four cities adopting good cause mandates. The study focuses on rates of eviction judgments, and reveals less about the eviction filing rates (which are more relevant to evaluating how a good cause requirement would affect landlord behavior), so it is hard to assess what changes in the trends might account for the findings about the relative difference in eviction filings. Further, the cities adopted their mandates over an eight year period, so the pre-trends used to evaluate the “difference in difference” in cities adopting later than others may have been influenced by landlords’ understanding that mandates might be coming. That is troubling because when the analysis is done for each of the four cities separately, the finding that eviction filings fell, relative to the control cities, is statistically significant only for one of the four cities.

How Might a Good Cause Requirement Affect Retaliatory Evictions and Discrimination?

As noted earlier, one argument for a good cause requirement asserts that it is necessary to protect people who complain about the condition of their homes or of the building or grounds, or about some other aspect of the tenancy.⁴⁷ Until 2019, under the New York Real Property Law § 223-b, any eviction proceeding brought against a tenant who had filed a good faith complaint to an enforcement agency within the prior six months was presumed to be retaliatory, and the landlord bore the burden of establishing a non-retaliatory motive for the

46. Cuellar, J. (2019, May 21). Effect of “Just Cause” Eviction Ordinances on Eviction in Four California Cities. *Journal of Public and International Affairs*. <https://jpia.princeton.edu/news/effect-just-cause-eviction-ordinances-eviction-four-california-cities>.

47. Housing Justice for All. (2024, January 24). Good Cause, Our Platform. <https://housingjusticeforall.org/our-platform/good-cause/>



proceeding.⁴⁸ In 2019, tenant advocates secured significantly stronger protections against retaliatory evictions and refusals to renew in the Housing Stability and Tenant Protection Act (HSTPA).⁴⁹ The presumption of retaliation was increased to one year following a good faith complaint,⁵⁰ coverage was extended to nonpayment proceedings and “unreasonable” rent increases, the presumption of retaliation was extended to complaints made to landlords or their agents, and the standard for the landlord’s rebuttal of the presumption was made stricter.⁵¹

The Salazar/Hunter proposed good cause requirement may interact with HSTPA to make landlords asserting good cause face a heightened burden of proof for those tenants who take actions protected by the retaliatory eviction provisions. Under HSTPA, a tenant already can assert that a landlord’s eviction filing is retaliatory, and enjoy a presumption of retaliation for one year following a complaint. A good cause requirement, however, could change how the landlord can overcome the presumption of retaliation. Currently, the landlord can assert reasons that would not satisfy the good cause requirement, but nevertheless may convince the court that the landlord does not have a retaliatory motive. A landlord, for example, could overcome the presumption of retaliation by showing that the motive for refusing to renew a lease is to use the apartment for the landlord’s family in circumstances that don’t meet the good cause limitations on retaking possession for personal use.⁵² By limiting the reasons a landlord can assert to disprove retaliation to those deemed good cause, a good cause requirement might be interpreted to heighten the landlord’s burden of proof: the landlord must both prove good cause and overcome a presumption that even what would otherwise constitute good cause is retaliatory for one year after a protected action. That burden could make eviction more difficult, and could also lead some tenants concerned about the possibility of an eviction filing to lodge complaints or take other protected actions in order to make the landlord’s burden of proof more difficult.

48. Housing Stability and Tenant Protection Act, 2019 N.Y. Sess. Laws Ch. 36 (McKinney).

49. N.Y. Real Prop. Law § 223-b (Consol. 2023).

50. Most states provide such a presumption for three to six months. See, e.g., Cal. Civ. Code § 1942.5 (Deering 2023); D.C. Code § 42-3505.02 (2024); Mass. Gen. Laws Ann. ch. 186, § 18 (West 2023); 34 R.I. Gen. Laws. § 34-18-46 (2023); Wash. Rev. Code Ann. § 59.18.250 (LexisNexis 2023).

51. Lebovits, G., Lansden, J., & Howard, D. (2019, December 1). Housing Stability and Tenant Protection Act of 2019 Part III—What Lawyers Must Know. New York State Bar Association. <https://nysba.org/nys-housing-stability-and-tenant-protection-act-of-2019-part-iii-what-lawyers-must-know/>

52. See, e.g., Douglas Lowe, Retaliatory Eviction Protection in New York—Unraveling Section 223-b, 48 Fordham L. Rev. 861 (1980). Available at: <https://ir.lawnet.fordham.edu/flr/vol48/iss5/9> (“The section 223-b standard is a not-for-bad-cause eviction standard⁷⁶ rather than a good cause standard.”)



The proposed requirement does little to increase protections against discrimination beyond those already available through existing anti-discrimination laws.⁵³ Again, landlords seeking to disprove claims of discrimination by showing other motives may have a much more limited set of reasons they can offer, but it is unclear exactly how the courts will harmonize the good cause requirement with the burdens of proof regarding discrimination.

Might a Good Cause Requirement Affect the Screening of Prospective Tenants?

Because a good cause requirement may add to the time and expense of ending the lease of a tenant the landlord finds undesirable, an unintended consequence of a good cause requirement might be that some landlords will screen applicants for their housing more rigorously.⁵⁴ While landlords are constrained in how they select tenants by the Fair Housing Act,⁵⁵ and by limits on using eviction records,⁵⁶ those restrictions are often underenforced, and violations are difficult and costly to prove.⁵⁷ Landlords can gather information legally from a number of sources, such as references from previous landlords, to try to secure tenants most likely to have a long term tenancy that the landlord considers successful. Screening more rigorously could involve requiring more information about the applicant or refusing to rent to people with relatively short stays in their rental history. More landlords also may require guarantors to insure against nonpayment or damage to the unit, or because the landlord believes guarantors provide useful signals about the probability of a successful tenancy.

Many, if not most, professional management companies already screen as rigorously as the law allows. But owners of smaller buildings and portfolios may not. The most recent survey of those owners, for example, shows that they are less likely than owners of 50 or more units across multiple buildings “to use third party online screening services that bring together data on a renter’s income, credit, evictions and criminal records, and produce

53. Fair Housing Act, 42 U.S.C. § 3601 (1968); N.Y. Exec. Law, § 296 (Consol. 2023); N.Y.C. Admin. Code § 8-107 (5).

54. For evidence that landlords respond to regulations by increasing their screening of applicants, see Ambrose, B., & Diop, M. (2018). “Information Asymmetry, Regulations and Equilibrium Outcomes: Theory and Evidence from the Housing Rental Market.” *Real Estate Economics* 49, no. S1 (2018): 74-110. <https://doi.org/10.1111/1540-6229.12262>. For evidence about how landlords use screening in low-income neighborhoods, see Rosen, E., Garboden, P. M. E., & Cossyleon, J. E. (2021). Racial Discrimination in Housing: How Landlords Use Algorithms and Home Visits to Screen Tenants. *American Sociological Review* 86(5), 787-822. <https://doi.org/10.1177/00031224211029618>.

55. Fair Housing Act, 42 U.S.C. § 3601; N.Y. EXEC. LAW § 296(16) (Consol. 2023); U.S. Dep’t of Hous. and Urb. Dev., Implementation of the Office of General Counsel’s Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions (2022), <https://www.hud.gov/sites/dfiles/FHEO/documents/Implementation%20of%20OGC%20Guidance%20on%20Application%20of%20FHA%20Standards%20to%20the%20Use%20of%20Criminal%20Records%20-%20June%2010%202022.pdf>.

56. N.Y. Real Prop. Law § 227-f (Consol. 2023); Housing Stability and Tenant Protection Act, 2019 N.Y. Sess. Laws Ch. 36 (McKinney).

57. See Halm, B. & Blumsack, A. (2022, October 27). Opinion: NYC Needs Better Enforcement Against Housing Discrimination. *City Limits*. <https://citylimits.org/2022/10/27/opinion-nyc-needs-better-enforcement-against-housing-discrimination/>; Thakore, I. (2023, July 6). Plagued by staff shortage, NYC agency fails to make determinations in most discrimination cases. *Gothamist*. <https://gothamist.com/news/plagued-by-staff-shortage-nyc-agency-fails-to-make-determinations-in-most-discrimination-cases>.



a report or score that describes how “risky” the applicant would be to rent to.”⁵⁸ Instead, owners of the smallest number of units are more likely to rely most heavily on credit checks and personal interviews.⁵⁹ If screening rigor were to increase, tenants with short or spotty rental records, low or variable incomes, no access to guarantors (or other characteristics landlords may adopt to assess applicants) may find it harder to secure homes in the small buildings the good cause requirement would target. Further, there may be some instances in which a landlord has good cause, and under the present regime the tenant would agree to surrender possession without going to housing court, but under a good cause regime will stay in possession and litigate the issue, which will leave an eviction filing on the tenant’s record. In New York, landlords are prohibited from using prior evictions or other legal disputes between a landlord and tenant to refuse to rent to a particular applicant,⁶⁰ but the presence of an eviction record could affect tenants who try to secure a tenancy in other states (and may affect other decisions about the tenant because the eviction may appear in the tenant’s credit history).

How Might a Good Cause Requirement Affect the Supply of Rental Housing?

Another unintended consequence of a good cause requirement may be conversion of rental housing into other uses not subject to the good cause requirement (and other regulations specific to rentals), and reduced investment in new and existing rental housing.⁶¹ Owners may, for example, convert rentals into condominium forms of home ownership (although condo owners who rent out their units would be subject to the good cause requirements under the Salazar/Hunter bill). Investors in new construction who believe that the requirement makes owning a rental property less profitable or riskier may choose to invest in other types of housing, such as condominiums or other for-sale housing, or to invest in other jurisdictions or industries.

58. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>, at 8-9. Note that in New York City, landlords would not be able to screen based upon eviction records and some criminal justice involvement records.

59. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>.

60. N.Y. Real Prop. Law § 227-f (Consol. 2023).

61. Owners also may decide that the costs of a good cause requirement make it more profitable to use their properties for short term rentals (which will likely be illegal under the City’s regulations, but may escape enforcement). N.Y.C. Admin. Code § 26-3102; Velsey, K. (2023, November 28). The ‘Airbnb Alternative’ Black Market. *Curbed*. <https://www.curbed.com/2023/11/airbnb-alternative-black-market-craigslist-nyc-crackdown.html>; Brand, D. (2023, September 13). NYC’s new black market for short-term rentals: A throwback to the time before Airbnb. *Gothamist*. <https://gothamist.com/news/nycs-new-black-market-for-short-term-rentals-a-throwback-to-the-time-before-airbnb>; Hoover, A. (2023, October 9). New York’s Airbnb Ban Is Descending Into Pure Chaos. *Wired*. <https://www.wired.com/story/airbnb-ban-new-york-illegal-listings/>.



The closest analog to good cause requirements are rent regulation systems. There is considerable evidence that rent regulation, especially regimes that do not allow vacancy decontrol, result in conversions and lead to decreased investment in rental properties.⁶² Good cause requirements that require landlords to prove one of a limited set of specified reasons for evicting a tenant or refusing to renew a lease or continue a tenancy (and limit only unusually steep increases in rents) would likely impose fewer costs on landlords than broader rent regulation. But as a good cause scheme becomes increasingly similar to rent regulation, the experience under rent regulation systems will be relevant to good cause requirements.

Developers have still built rental housing in New York City even when some of that housing was subject to rent regulation as a requirement of receiving property tax relief or other government subsidies. But the level of production of rental housing has been insufficient to meet needs for some time.⁶³ Further, that experience pre-dated the Housing Stability and Tenant Protection Act of 2019, which appears to be having a significant effect on investment in rental buildings covered by that law.⁶⁴

62. See Diamond, R., McQuade, T., & Qian, F. (2019). The effects of rent control expansion on tenants, landlords, and inequality: Evidence from San Francisco. *American Economic Review*, 109(9), 3365-3394 <https://doi.org/10.1257/aer.20181289>; Kholodilin, K. A., & Kohl, S. (2023). Do rent controls and other tenancy regulations affect new construction? Some answers from long-run historical evidence. *International Journal of Housing Policy*, 1-21. <https://doi.org/10.1080/19491247.2022.2164398>; Kholodilin, K. A., & Kohl, S. (2023). Social policy or crowding-out? Tenant protection in comparative long-run perspective. *Housing Studies*, 38(4), 707-743 <https://doi.org/10.1080/02673037.2021.1900796>; Kholodilin, K. A. (2022). Rent control effects through the lens of empirical research: An almost complete review of the literature. <https://www.econstor.eu/bitstream/10419/266608/1/1826442545.pdf>; Marsh, A., Gibb, K., & Soaita, A. M. (2023). Rent regulation: unpacking the debates. *International Journal of Housing Policy*, 23(4), 734-757. <https://doi.org/10.1080/19491247.2022.2089079>; Pastor, M., Carter, V., & Abood, M. (2018). Rent matters: What are the impacts of rent stabilization measures? *Los Angeles: USC Dornsife Program for Environmental and Regional Equity*. <https://aagla.org/wp-content/uploads/2019/10/USC-Dornsife-Rent-Matters.pdf>; Rajasekaran, P., Treskon, M., & Greene, S. (2018, January). Rent Control: What Does the Research Tell us about the Effectiveness of Local Action? *Urban Institute*. https://www.urban.org/sites/default/files/publication/99646/rent_control_what_does_the_research_tell_us_about_the_effectiveness_of_local_action_1.pdf.

63. Been, V., Rosoff, S., & Yager, J., (2018). Changes in New York City's Housing Stock in *State of New York City's Housing and Neighborhoods: 2017*. Furman Center. https://furmancenter.org/files/sotc/SOC_2017_FOCUS_Changes_in_NYC_Housing_Stock_1JUN2018.pdf

64. Housing Stability and Tenant Protection Act: An Initial Analysis of Short Term Trends (2021) (Furman Center). https://furmancenter.org/files/Rent_Reform_7_1_A_remediated.pdf



Section Three: Learning from Jurisdictions That Have Enacted Good Cause Requirements

Given the potential benefits and risks of a good cause requirement, New York State policy-makers must consider both how best to strike an efficient and fair balance between those tradeoffs if they choose to impose a good cause requirement, and whether there are other tools to secure greater tenant stability that impose fewer risks and potential costs than a good cause requirement. This section addresses the first question by examining how other jurisdictions have structured their good cause requirements, drawing from legislation in cities like Seattle, Washington, DC and Berkeley, California that have had good cause eviction ordinances for decades, to cities and states like Oregon and California that adopted statutes in the last few years.⁶⁵ Our aim is to help show the nuances that may spark ideas about how stakeholders in the debate in New York might find the right balance between promoting housing stability and minimizing the costs of a good cause requirement. The next section will then turn to possible alternatives to a good cause requirement.

What Types of Housing or Tenancies Should Good Cause Legislation Govern?

Most good cause provisions exempt certain types of housing. Common exemptions include the owner-occupied housing⁶⁶ and housing already protected by other regulations or

65. See, e.g., (2024). Evanston proposed “just cause” evictions, tenant protections. *The Real Deal* (Chicago). <https://therealdeal.com/chicago/2024/01/29/evanston-proposes-tenant-protections-just-cause-evictions/>

66. While many jurisdictions exempt owner-occupied housing, the definition of such housing varies. Owner-occupied is frequently defined as the landlord owning two or fewer units on the same property and occupying one of them. In California, for example, a two-unit property where the second unit is occupied by the owner for the entirety of the period of the tenancy is exempt, as are housing accommodations where the tenant shares a bathroom or kitchen facilities with the owner and the owner lives at the property as their principal residence. Cal. Civ. Code § 1946.2(e)(4), (6) (effective Jan. 1, 2024), https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1946.2&nodeTreePath=8.4.76.3&lawCode=CIV; see also N.H. Rev. Stat. §§ 540:1-a(1), 540:2(1) (2023) (effective Jan. 1, 2014), <https://www.gencourt.state.nh.us/rsa/html/lv/540/540-mrg.htm> West, *Westlaw* 19852022 (owner-occupied rental buildings with four or fewer units are not covered by good cause requirement); Or. Rev. Stat. § 90.427(8) (current through 2023), https://www.oregonlegislature.gov/bills_laws/ors/ors090.html OR SB 608 (exempting landlord who owns two or fewer units on the same property and lives in one of the units). New Jersey also exempts, as owner-occupied, units that are permanently occupied by an immediate family member of the unit’s owner who has a developmental disability. N.J. Rev. Stat. § 2A:18-61.1 (current through N.J. 220th First Ann. Session, 2022) (exempting owner-occupied premises with two or fewer rental units, and dwelling units that are permanently occupied by an immediate family member of the unit’s owner who also has a developmental disability).



agreements that the Salazar/Hunter proposal exempts. But many jurisdictions also exempt relatively *small buildings*. Landlords of small buildings tend to file evictions at a far lower rate than those in larger buildings.⁶⁷ In New York City, for example, although 1- to 5-unit buildings make up 27.9 percent of the total rental housing stock, they account for only 10.9 percent of the eviction filings. The exemption of small buildings also may reflect concerns that adding delays and cost to the owners of that housing could result in increased rents for housing that is often available at lower rents than larger buildings.⁶⁸ Figure One (See Appendix for figures) provides an estimate of the unregulated rented homes in buildings that the Salazar/Hunter bill would cover, based on building size, as well as information about the median rent in each category. Table Two shows the eviction filing rates for those property sizes. Looking at both datasets reveals that exempting smaller four- and five-unit properties from a good cause requirement would have denied the primary benefit of a good cause requirement to the 2,177 households that had an eviction filed against them in those buildings in 2023. Buildings of that size have a very low eviction filing rate (just 2.06 percent, far below the 6.29 percent rate for all buildings), and a small share of those filings result in an executed warrant. Those facts suggest that a far larger number of tenants—about 165,000 households in those buildings that did not have an eviction filed against them in 2023—could benefit from being exempted from a good cause requirement that may impose costs on the operation of the buildings that could result in higher increases in their rents. Similarly, the eviction filing rate in rented homes in six to nine-unit buildings is so much lower than the citywide average (2.76 percent versus 6.29 percent), that the costs a good cause requirement could impose may outweigh the benefits for tenants in those buildings.

67. Gomory, H. (2022). The Social and Institutional Contexts Underlying Landlords' Eviction Practices, *Social Forces*, Volume 100 (4): 1774–1805. <https://doi-org.proxy.library.nyu.edu/10.1093/sf/soabo63> (large landlords – those with 15 or more buildings – filed two to three times as many evictions actions as those landlords who owned few buildings).

68. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>, at 10-11.

Table Two: Eviction Filing Counts, Rates, and Share of Filings that Result in Executed Warrants, by Building Size

	<i>Non-NYCHA Rental Unit (regulated and unregulated) (2021)</i>	<i>Non-NYCHA Filings (2023)</i>	<i>Filings per 100 Units (2023)</i>	<i>Cases with Executed Warrants (2017/2018)</i>
Citywide	1,998,433	125,724	6.29	8.5%
1 Unit Buildings	74,380	1,742	2.34	23.7%
2 Unit Buildings	244,943	6,385	2.61	20.8%
3 Unit Buildings	180,446	3,309	1.83	19.4%
4-5 Unit Buildings	105,689	2,177	2.06	16.0%
6-9 Unit Buildings	168,549	4,657	2.76	9.3%
10+ Unit Buildings	1,397,035	88,324	6.32	6.7%

Sources: NYS Office of Court Administration, New York City Housing and Vacancy Survey (2021), NYU Furman Center

Some discussions about good cause have raised the idea of exempting **landlords who own a relatively small number of units**. The challenge in implementing such an exemption lies in the complexity of tracing ownership of rental properties. Landlords often establish a limited liability corporation (LLC) to hold individual buildings, which complicates the identification of the actual owners, due to the opaque structure of LLCs. This complexity makes that approach very difficult to monitor and enforce any exemptions based on the number of units owned.⁶⁹ Those difficulties may explain why most jurisdictions instead exempt smaller buildings, even if (in theory) one owner may hold many such small buildings.

Some good cause statutes and ordinances exempt **newer rental buildings** to avoid discouraging rental housing construction. In California, for instance, units constructed in the previous 15 years (on a rolling basis) are exempt.⁷⁰ Whether 15 years is the right exemption period will depend upon a financial analysis of whether the return on investment in rental buildings within the first 15 years is sufficient to attract the investment, an issue that the state’s housing agencies could help to answer.

69. Mykulyn, B. & Raymond, E. (2022). When Landlords Hide Behind LLCs. Shelterforce. <https://shelterforce.org/2022/08/23/when-landlords-hide-behind-llcs/>; Small, E. & Garber, N. (2023, December 23). Hochul signs weakened LLC unmasking bill, removing public access. Crain’s New York Business. <https://www.craigslist.com/politics-policy/kathy-hochul-signs-weakens-llc-transparency-bill-removing-public-access>.

70. Cal. Civ. Code § 1946.2(e)(7).

Jurisdictions also frequently exempt certain types of *institutional units*. California, for example, exempts dormitories owned and operated by an institution of higher education or an elementary, middle or high school, and housing accommodations in nonprofit hospitals or in religious facilities, as well as extended care facilities, licensed residential care facilities for the elderly, or adult residential facilities.⁷¹ San Jose exempts hotels and motels.⁷² The Salazar/Hunter proposed good cause requirement does not offer any of those exemptions, but we know little about evictions from such housing, and applying a good cause requirement to those types of housing raises many difficulties for institutions that provide housing as part of educational, health, or other specific programs, and for the owners and operators of transient housing like hotels and motels.

Another exemption sometimes used is *for tenants who have not lived in their apartments for some minimum time*. In Oregon, for example, good cause provisions do not apply during the first year of any tenant’s occupancy.⁷³ Similarly, in California, tenants must have continuously and lawfully occupied the property for at least twelve months to receive good cause protection.⁷⁴ Washington state does not apply the good cause requirement to a refusal to renew upon the end of an initial six to twelve month fixed period lease.⁷⁵ Such a “trial” period for a tenancy may allow landlords to refuse to renew leases for newer tenants who are problematic without the expense of a holdover action, while still protecting the expectations and stability of longer-term tenants. But it might also result in “churning” tenants in order to avoid the good cause requirements.

What Constitutes “Good Cause” for Eviction or Refusal to Renew?

Policymakers must decide what grounds warrant termination of a tenancy or provide adequate grounds to refuse to renew a lease. Several grounds are commonly shared across the good cause provisions in effect nationwide,⁷⁶ but good cause provisions vary in the

71. Cal. Civ. Code § 1946.2(e)(2).

72. San Jose, Cal., Mun. Code § 17.23.1230 (2017), https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TTT17BUCO_CH17.23REDIMEARDWUNEXMOMOPA_PT12TEPR.

73. Ore. Rev. Stat. § 90.427 (current through early 2024).

74. Cal. Civ. Code § 1946.2(a). If additional adults join the lease before an existing tenant has been there lawfully for twenty-four months, then the ordinance will only apply if all the tenants have lived in the unit for over a year, or if one or more tenants have occupied the unit for at least two years. *Id.*

75. Wash. Rev. Code § 59.18.650(1)(b)-(c) (effective 2021), <https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.650&pdf=true>. Washington’s statute exempts tenancies in which: a) the landlord and tenant agreed upon an initial tenancy for a fixed period of between six and twelve months, to be continued indefinitely on a periodic basis after the expiration of that fixed period, and the landlord wishes to cancel at the end of the fixed period; or b) the parties agreed upon a fixed tenancy of a year or more, or have continuously entered into successive fixed tenancies of at least six months, and the landlord wishes to cancel at the end of the fixed period.

76. Vasquez, J. & Gallagher, S. (2022, May 18). Promoting Housing Stability Through Just Cause Eviction Legislation. National Low-Income Housing Coalition. <https://nlihc.org/sites/default/files/Promoting-Housing-Stability-Through-Just-Cause-Eviction-Legislation.pdf>



number of enumerated grounds and the level of detail provided for each. New Jersey has over a dozen enumerated and detailed grounds, for instance, while New Hampshire has seven broad grounds.⁷⁷

Common At-Fault Grounds Considered Good Cause for Eviction or Non-Renewal

The “at-fault” grounds for eviction or non-renewal that are most commonly allowed in good cause legislation include:

- Failure to pay rent
- Breach of a material term of the lease
- Nuisance
- Waste (damage to, or neglect of, the property)
- Criminal activity or using the premises for a purpose that is unlawful even if not criminal.

Even within those common categories, there are variations, however. Several states and municipalities, such as Washington, D.C., specify that a landlord seeking to evict a tenant due to breach of lease term must first give the tenant a chance to cure the breach.⁷⁸ Washington state requires four violations within a twelve-month time period preceding the end of the lease term before a tenant can be evicted on the ground of breach of lease.⁷⁹ New Jersey is more specific about criminal activity, allowing eviction or non-renewal of a lease only where a person has been convicted or pled guilty to certain drug offenses, property theft, assault or terroristic threatening of landlords, their family members or employees, or when a tenant is found liable in a civil action for involvement in criminal activities.⁸⁰

77. N.J. Rev. Stat. § 2A:18-61.1 (current through N.J. 220th First Ann. Session, 2022); N.H. Rev. Stat. Ann. § 540:2 (effective Jan. 1, 2014)

78. D.C., Code of the Dist. of Colum. § 42-3505.01(b) (current through Jan. 12, 2024), <https://code.dccouncil.gov/us/dc/council/code/sections/42-3505.01>.

79. Wash. Rev. Code § 59.18.650(2)(n)(i) (effective 2021). Similarly, Oregon’s legislation provides that a landlord may refuse to renew a lease if a tenant with a fixed term lease violated that lease three times in the prior twelve months, and received proper written notice after each violation. Or. Rev. Stat. § 90.427 (current through 2023).

80. N.J. Rev. Stat. § 2A:18-61.1(p). New Jersey also specifies that in public or subsidized housing, substantially violating or breaching any covenants or agreements contained in the lease pertaining to illegal uses of controlled dangerous substances or other illegal activity will be grounds for eviction. Id. § 2A:18-61.1(e)(2). See also 42 U.S.C. § 1437d(l), which provides that in federal public housing, “any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants or any drug-related criminal activity on or off such premises, engaged in by a public housing tenant, any member of the tenant’s household, or any guest or other person under the tenant’s control, shall be cause for termination of tenancy”; and 24 C.F.R. § 966.4(f)(12), (l)(5) (laying out tenant’s obligation in federal public housing to not engage in criminal activity, and providing criminal activity as a ground for termination of tenancy and eviction). In Washington state, landlords can evict a tenant or refuse to renew a lease if a tenant is required to register as a sex offender during the tenancy; a tenant failed to disclose that they were required to register as a sex offender when disclosure was requested in the rental application or by the property owner; or a tenant makes unwanted sexual advances to, or directs acts of sexual harassment at, the property owner, property manager, property employee, or another tenant based on that person’s protected status. Wash. Rev. Code § 59.18.650(2)(p).



Other “at-fault” grounds for eviction are less widespread, but include:

- Refusing entry by the owner⁸¹
- Habitual late payment⁸²
- End of employment if a tenant’s residence on a property is conditioned on their employment at the property⁸³
- Aging out of, or completing, a transitional program linked to housing.⁸⁴

Finally, several statutes include broad language which may be used by landlords to justify non-enumerated grounds for eviction. New Hampshire’s provision allows eviction for “other good cause,” which “includes, but is not limited to, any legitimate business or economic reason and need not be based on the action or inaction of the tenant, members of his family, or guests,” but requires the landlord to give the tenant written warning that particular behavior will be grounds for eviction, and only evict if the tenant repeats the behavior.⁸⁵ Similarly, Washington state notes that a “legitimate economic or business reason” not covered in the statute may be cause for the termination of tenancy.⁸⁶ While helpful to address unusual situations, such ambiguous provisions could undermine the intent of a good cause requirement if broadly construed.

81. Cal. Civ. Code § 1946.2(b)(H) (effective Jan. 1, 2024); Id. § 1954 (effective Jan. 1, 2019), https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV§ionNum=1954 (refusing entry even once is a ground for eviction if the owner gives reasonable notice of intent to enter during normal business hours, with exceptions to the notice requirement in emergencies, if the tenant is present and consents to entry, or if the tenant has abandoned or surrendered the unit). Similarly, in San Jose, refusing entry by the owner is grounds for eviction if a tenant receives notice to cease and a reasonable time to cure, but still refuses reasonable access. Cal., Mun. Code § 17.23.1250(A)(6) (2017).

82. New Jersey specifies habitual late payment as a ground for eviction; “habitual late payment” is not defined by statute, N.J. Rev. Stat. § 2A:18-61.1(j), but has been interpreted by courts to mean more than one late payment after a tenant has received a notice to cease late payments. See, e.g., *Matthew G. Carter Apartments v. Richardson*, 8 A.3d 788, 795 (N.J. Super. Ct. App. Div. 2010) Similarly, St. Paul, Minnesota allows a tenancy to be terminated for “repeated late payment of rent,” where a tenant makes a late payment, receives a “notice following a late payment that a subsequent late payment may be grounds for Termination of Tenancy,” and then makes late payments of rent five or more times in twelve months. St. Paul, Minn., Code of Ordinances § 193A.05(b)(2)(b) (adopted Apr. 6, 2022), https://library.municode.com/mn/st._paul/codes/code_of_ordinances?nodeId=PTITLECO_TTTXIXCOPR_CH193AREREST_S193A.05VA.

83. See N.J. Rev. Stat. § 2A:18-61.1(m) (end of employment is grounds for eviction); St. Paul, Minn., Code of Ordinances § 193A.05(b)(2)(j) (end of employment is grounds for non-renewal).

84. Wash. Rev. Code § 59.18.650(2)(j).

85. N.H. Rev. Stat. Ann. § 540:2(II)(e), (V) (effective Jan. 1, 2014).

86. Wash. Rev. Code § 59.18.650(2)(m). A “legitimate business or economic reason” can include the termination of the tenant’s project-based housing voucher or other housing assistance. See, e.g., *FR Bach Hous. IV, LLC v. Goolie*, No. 22-2-02129-32, 2022 Wash. Super. LEXIS 3374, at *3-5 (Sup. Ct. July 13, 2022).



Common No-Fault Grounds for Eviction or Non-Renewal

There are also common “no-fault” grounds, which generally are accepted only for nonrenewal, not for eviction during the term of a lease. They include:

- Intent of the owner or the owner’s immediate family to occupy the unit⁸⁷
- Withdrawal of property from the market
- Sale of a property
- Demolition, conversion,⁸⁸ or remodeling of the property or unit⁸⁹
- Compliance with a government agency order or local ordinance⁹⁰

The Salazar/Hunter bill includes many of the common grounds for good cause, but policymakers may want to consider whether some additional grounds, such as habitual late payment or demolition or conversion of the property, would help strike a better balance between preserving tenant stability and limiting risks to the housing market.

Should Rent Increases Be Limited, and If So, How?

Policy makers must decide whether or not to limit rent increases in tandem with good cause eviction protections, and if so, what caps or procedures for setting limits to impose. Rent increase restrictions may be necessary to prevent a landlord from raising the rent sharply in order to end the tenancy without having to prove another element of good cause. Some advocates and housing policy experts also point out that anti-gouging restrictions prevent landlords from taking advantage of disruptions in the market to raise rents significantly.⁹¹ As explained above, however, landlords, and some housing policy analysts, are wary about the effects that regulation of rent increases may have on the condition of the buildings, the willingness of investors to put their money into rental housing construction or operation,

87. Washington state requires both a good faith intent to occupy, and that no substantially equivalent unit is vacant and available in the same building for the owner or their immediate family member. Wash. Rev. Code § 59.18.650(2)(d). Washington, D.C. include a requirement that the owner’s intent to occupy the residence be in good faith. (D.C., Code of the Dist. of Colum. § 42-3505.01(d)-(e). California, New Jersey, and Oregon merely state that the landlord must intend to occupy the property. See Cal. Civ. Code § 1946.2(b)(2)(A) (effective Jan. 1, 2024); N.J. Rev. Stat. § 2A:18-61.1; Or. Rev. Stat. § 90.427(5)(c) (current through 2023). California does provide, however, for leases entered into on or after July 1, 2020, that owners may not evict a tenant based on intent to occupy unless the tenant agrees in writing to the termination, or if a provision of the lease specifically allows the owner to terminate based on intent to occupy the residence. Cal. Civ. Code § 1946.2(b)(2)(A)(ii).

88. Some good cause legislation limits the conversions that are covered. For instance, in Washington, D.C., the conversion must be to a condominium or co-op with government approval. D.C., Code of the Dist. of Colum. § 42-3505.01(j) (current through Jan. 12, 2024).

89. Washington, D.C. allows for substantial rehabilitation as a no-fault ground for eviction. D.C., Code of the Dist. of Colum. § 42-3505.01(h).

90. Washington State allows eviction if the building is condemned as uninhabitable by a government agency. Wash. Rev. Code § 59.18.650(2)(h). New Hampshire permits evictions of tenants when owners seek to abate a lead exposure-hazard. N.H. Rev. Stat. Ann. § 540:2(II)(f) (effective Jan. 1, 2014).

91. See, e.g., Finding Common Ground on Rent Control (2018). Turner Center Policy Brief. https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Rent_Control_Paper_053018.pdf



and the effects on rent levels for any tenants who are not covered by the regulations. Even if limits imposed just on unusually large rent increases might not have those effects, they worry that anti-gouging statutes are just the first step towards full-blown rent regulation.⁹²

For jurisdictions that want to limit increases, options include setting a cap on rent increases, linking rent increases to some index, limiting increases to the amount set by some body such as a rent regulation board, or using a standard like unconscionability or reasonableness that courts must determine.⁹³ In addition, policymakers must determine crucial implementation details such as:

- How often does the limit apply, e.g., once a year, or once a year but for no more than a total of X over Y years?
- Should banking of increases be allowed? E.g., if a landlord did not raise the rent to the limit for one year, can the amount foregone be added in subsequent years? If so, when/how?
- Hardship provisions in cases of economic distress for landlord, which can develop when:
 - The owner's return is below some standard of fair return? Allowed rent increases are insufficient to cover increases in operating costs?
 - Allowed rent increases are insufficient to offset increased costs imposed by government taxation or regulation?
 - Allowed rent increases are insufficient to cover the cost of major capital improvements such as new heating systems or new roofs?
- Is the landlord allowed to mark the rent to fair market levels upon turnover?
- Who should bear the burden of proving the reasonableness of an allowed increase?
- Should the tenant be required to put rent involved in a challenged increase in escrow pending determination of whether it meets the applicable standard?
- How will the enforcement agency track increases—is there a rent registry or other system to keep track of the rents charged for each unit?
- How, and by whom, will the limits on rents be enforced?

92. See Been, V., Ellen, I., & House, S. (2019). Laboratories of Regulation: Understanding the Diversity of Rent Regulation Laws, 46 Fordham Urb. L.J. 1041 (2019). <https://ir.lawnet.fordham.edu/ulj/vol46/iss5/>; House, S., Murphy, M., & O'Regan, K. (2021, April) Rent Regulation for the 21st Century: Pairing Anti-Gouging with Targeted Subsidies. Furman Center Policy Brief. https://furmancenter.org/files/Rent_Regulation_for_the_21st_Century_-_Final.pdf.

93. See Been, V., Ellen, I., & House, S. (2019). Laboratories of Regulation: Understanding the Diversity of Rent Regulation Laws, 46 Fordham Urb. L.J. 1041 (2019). <https://ir.lawnet.fordham.edu/ulj/vol46/iss5/>, at 1060-70.



States and municipalities range from having no rent increase limitations whatsoever, to imposing specific caps relative to a specified CPI. States that have good cause legislation but do not impose rent caps or other forms of rent regulation include New Hampshire, where the legislature rejected House Bill 95, which sought to enable towns and cities to enact local rent regulations, in February 2023.⁹⁴ Washington state also has no anti-gouging provisions as part of its good cause provisions; a bill has been introduced in the 2024 session to impose a limit of five percent per year across the state.⁹⁵

Some states set official rent caps as part of, or as complementary to, their good cause requirements. California limits annual rent increases to 5 percent plus the local CPI, or 10 percent, whichever is lower (but local rent regulation can impose lower caps).⁹⁶ Similarly, Oregon caps allowable annual rent increases at the lesser of 10 percent, or 7 percent plus the annual 12-month average change in CPI for all urban consumers, West Region.⁹⁷ New Jersey does not impose a state-wide limit on rent increases, but its good cause legislation prevents evictions of tenants who fail to pay rent after a notice of rent increase where the increase is “unconscionable.”⁹⁸

As discussed above, the Salazar/Hunter proposal differs from what other jurisdictions have done in two key ways. First, it does not prevent landlords from raising rents above the amount it deems reasonable; instead, it refuses to recognize non-payment as good cause if any of the rent due and owing is attributable to an increase above the amount deemed “reasonable.” The structure of the reasonableness definition makes it potentially less costly to landlords than a general cap, depending on how the courts and tenants respond if the Salazar/Hunter proposal were passed. It could have the effect of making the definition of reasonableness binding only in the small share of tenancies that end up in Housing Court. Alternatively, tenants could respond to the reasonableness definition by refusing to pay any amount that would be deemed unreasonable, knowing that they can’t be evicted for doing so. As a result, the reasonableness definition would in practice become a broad cap.

94. Dewitt, E. (2023, February 2). New Hampshire House Rejects Bill Enabling Rent Controls. *New Hampshire Bulletin*. <https://newhampshirebulletin.com/briefs/new-hampshire-house-rejects-bill-enabling-rent-controls/>.

95. See S.B. 5961 (2024). <https://lawfilesexternal.wa.gov/biennium/2023-24/Pdf/Bills/Senate%20Bills/5961.pdf?q=20240205184526>

96. Cal. Civ. Code §1947.12(a)(1) (effective Jan. 1, 2024).

97. Or. Rev. Stat. § 90.324 (current through 2023).

98. N.J. Rev. Stat. § 2A:18-61.1(f); see also *Rent Increase Bulletin*, N.J. Dep’t of Cmty. Affs. (Feb. 2008), https://www.nj.gov/dca/divisions/codes/publications/pdf_lti/rnt_incrse_bultin.pdf (providing guidance on how to determine when a rent increase is unconscionable).



Second, the Salazar/Hunter proposed definition of a reasonable increase is lower than any other state that has set an anti-gouging cap. For comparison, for lease renewals that take place in 2024, Oregon’s effective cap is 10 percent.⁹⁹ In California, where the cap varies by county, the 2024 allowed increase ranges from 8.8 to 10 percent.¹⁰⁰ In New York, the Salazar/Hunter bill would define as reasonable increases of up to 4.2 percent in 2024. As discussed above, that proposed bill would have defined as “unreasonable” a substantial range of the rent increases generally imposed over the past fifteen years.

What Notice or other Procedural Requirements Should be Imposed?

Good cause requirements often provide additional tenant protections in three key ways: by requiring landlords to give significant periods of notice before bringing an eviction action or refusing to renew a lease or continue a tenancy; by requiring landlords to give specific notice about problems that the landlord plans to use as grounds for an eviction or refusal to renew or continue a tenancy; and by giving the tenant an opportunity to cure any outstanding rent defaults or lease violations.¹⁰¹ Washington state provides a good example: its good cause statute requires the landlord to give notice, the length of which varies both by the length of the lease and whether it is for a fixed period or a periodic tenancy,¹⁰² and by the nature of the cause for the eviction or refusal to renew.¹⁰³ For a substantial breach of lease, the written notice must specify the acts or omissions constituting the breach, give the tenant the alternative of remedying the breach or ending the lease, and provide a date by which a remedy must occur that is at least ten days after service.¹⁰⁴ Other protections include the availability of damages for tenants who are wrongfully evicted, and details surrounding how landlords must meet their burden to establish a ground for eviction.¹⁰⁵

Policymakers in New York may want to consider whether such notice provisions and other protections would be worth the costs of delay, especially if longer notice periods could be useful in allowing tenants to develop payment plans.

99. Ramakrishnan, J. (2023, September 27). Oregon maximum rent increase will be 10% in 2024. *The Oregonian*. <https://www.oregonlive.com/business/2023/09/oregon-maximum-rent-increase-will-be-10-in-2024.html>

100. Know Your Rights as a California Tenant. Office of the Attorney General, California Department of Justice. <https://oag.ca.gov/system/files/media/Know-Your-Rights-Tenants-English.pdf>

101. Vasquez, J. & Gallagher, S. (2022, May 18). Promoting Housing Stability Through Just Cause Eviction Legislation. National Low-Income Housing Coalition. <https://nlihc.org/sites/default/files/Promoting-Housing-Stability-Through-Just-Cause-Eviction-Legislation.pdf>.

102. Wash. Rev. Code §59.18.650(1)(b) (effective 2021).

103. Wash. Rev. Code §59.18.650(2) (effective 2021).

104. Wash. Rev. Code §59.18.650(2)(b) (effective 2021).

105. Wash. Rev. Code § 59.18.650(4).

Section Four: Alternative, Additional, or Complementary Ways To Protect Tenant Stability

Stakeholders in the New York debates over the principle of good cause should consider the relative costs and benefits of various other ways of protecting tenants from the disruptions in the stability of their housing that evictions or refusals to renew a lease cause. While a full comparison of possible alternatives to a good cause requirement is beyond the scope of this brief, this final section provides an introduction to several promising ways of reducing eviction filings and executed evictions, and avoiding unexpected refusals to renew a lease or continue a tenancy.

First, because most eviction filings involve nonpayment, and nonpayment often stems from unexpected fluctuations in household income or expenses, housing subsidies targeted to those circumstances (or to those households especially vulnerable to losing their homes when changes in income or expenses occur) may be the most efficient way of avoiding eviction filings. Such subsidies can take the form of vouchers to cover the difference between what a household can reasonably pay for housing (generally assumed to be 30 to 40 percent of the household’s income) and the fair market rent for their housing, as determined by the United States Department of Housing and Urban Development.¹⁰⁶ Households also may be given direct cash assistance or a renter’s tax credit instead of vouchers to avoid the difficulties landlords sometimes have with the voucher program. New York City has a variety of rental assistance programs already in place, but policymakers should think about how much more funding would be required to actually lower eviction filing rates, and how the existing programs can be made more efficient, easier and cheaper to use as a tenant and less burdensome to a landlord.¹⁰⁷

106. House, S., Murphy, M., & O’Regan, K. (2021, April) Rent Regulation for the 21st Century: Pairing Anti-Gouging with Targeted Subsidies. Furman Center Policy Brief. https://furmancenter.org/files/Rent_Regulation_for_the_21st_Century_-_Final.pdf. for a fuller exploration of combining anti-gouging protections with subsidies for vulnerable tenants.

107. Raetz, H., Dong, J., Murphy, M., & Been, V. (2023). *A State-Level Rent Voucher Program*. NYU Furman Center. https://furmancenter.org/files/publications/2_A_State-Level_Rent_Voucher_Program_Final.pdf.



Second, New York City has made tremendous strides in providing tenants facing eviction with legal counsel, but funding and staffing shortages have sometimes increased the time eviction proceedings take (and therefore their costs). Similarly, funding for Housing Court judges and facilities has been below what many experts consider necessary to make the so-called “summary” eviction proceedings sufficiently efficient, fair, and predictable to protect the interests of the tenant facing eviction, their landlord, and their neighbors.¹⁰⁸

Third, there are a number of promising experiments to both avoid evictions and to work out payment plans for tenants who fall behind as alternatives to eviction. Some tenants may be able to avoid nonpayment evictions, for example, if they are allowed to pay the rent on the schedule by which they receive their income, rather than a rigid date set uniformly for all tenants. Others may be helped by allowing partial payments to be made multiple times throughout the month rather than once. Incentives for timely rent payments that some affordable housing developments have tried also may be worth exploring. Wealth-building strategies like reporting rent payments to credit bureaus may help tenants better weather unexpected income or expense disruptions through cheaper access to credit. Creative use of security deposits and of rent insurance also may provide cost-effective ways of securing tenant stability. When tenants do fall behind, payment plans agreed to soon after a missed payment, sometimes negotiated with facilitators or non-profit housing organizations, and sometimes paired with zero-interest loans, may be much more cost effective than settlements occurring at the end of a protracted judicial proceeding.

Fourth, landlords (and the other tenants they need to protect) may be more willing to forego eviction and renew the lease of a tenant if effective assistance is available to help resolve issues that the landlord or the tenant’s neighbors find troublesome. That may require funding for mediators or facilitators to allow the parties to air grievances and to help them come up with plans acceptable for resolving and avoiding disputes, or may require mental health or other services to help tenants whose habits or behavior may endanger or otherwise harm others in the building. Easy to use systems to get help for a tenant, and sufficient funding to ensure that help is consistent and effective, may be a more lasting and cost effective way of avoiding holdover eviction filings or nonrenewals than good cause requirements.

108. Special Commission on the Future of the New York City Housing Court. (2018). *Report to the Chief Judge*. https://ww2.nycourts.gov/sites/default/files/document/files/2018-06/housingreport2018_0.pdf; New York City Bar Association. (2024). *Written Testimony in Support of the Judiciary’s 2024-2025 Budget Request*. <https://www.nycbar.org/reports/written-testimony-in-support-of-the-judiciarys-2024-2025-budget-request/>.



Fifth, as discussed above, anti-gouging measures such as those California and Oregon recently put in place, which limit exceptionally high rent increases, can be used independently of any good cause requirement. If a major cause of instability is unexpected and sharp increases in rents driven either by significant changes in the market, or by a landlord's attempts to force a tenant out, an anti-gouging provision (in combination with the anti-retaliation and anti-discrimination protections already in place), and perhaps with longer periods of notice for some leases about a refusal to renew or a rent increase,¹⁰⁹ could accomplish the goal without requiring as much litigation.

Finally, because so much of the debate over a good cause requirement centers on competing assumptions about how rents are changing and how much rent increases drive nonpayment eviction filings, improving data about rent increases is crucial. Various jurisdictions are experimenting with rental registries to help provide the data needed to develop effective housing policies.¹¹⁰ New York should consider a similar registry for all rental housing in the state.

All these alternative or additional ways of securing tenant stability need to be examined more thoroughly to see if they can protect tenants facing evictions or refusals to renew their lease while imposing fewer costs and risks on building owners, other tenants in the building, and the housing market.

109. HSTPA requires that landlords provide written notice for rent increases of at least five percent or if they do not plan to renew a lease, with the notice period varying by the tenant's time in the apartment: 30 days for less than one year, 60 days for one to two years, and 90 days for more than two years. <https://rentguidelinesboard.cityofnewyork.us/resources/faqs/leases-renewal-vacancy/>.

110. Local Housing Solutions, Rental Registries, <https://localhousingsolutions.org/housing-policy-library/rental-registries/>.



Conclusion

The harms that losing one’s home, and of worrying constantly about how and where to find another place to live, how to pay for the move, and how to minimize the setbacks the move may cause to children and others especially vulnerable to disruption, are overwhelming and long-lasting. New York’s policymakers are to be commended for trying to find ways to avoid or minimize those harms and protect renters and their families from housing instability. But protecting against evictions and refusals to renew leases imposes risks: of increasing the cost of housing for all renters; of subjecting applicants for rentals to more searching inquiries about whether they will be reliable, long-term payers who are good stewards of the home and good neighbors to others in the building; of discouraging investment in rental housing; and of making the system for resolving disputes between landlords and tenants too time-consuming and costly. Striking the balance between protecting housing stability and minimizing the risks those protections will likely entail will be challenging. While debate among Albany’s elected officials about an approach may be progressing, it remains imperative that policymakers who have endorsed the “principle” of good cause think much more carefully about how to craft an actual protection that helps vulnerable tenants without unduly undermining the interests of other tenants, owners, and all those New Yorkers who need a more reliable supply of affordable, high quality housing.



Primer: The Current System for Resolving Landlord/Tenant Disputes In New York

What is the Current Eviction Process?

Nonpayment and holdover eviction actions are governed by many of the same basic procedural requirements, but there are important differences between the two. The following subsections explain the procedures and timeline each follows.

Nonpayment Cases

In a “nonpayment” case, the landlord seeks two separate legal judgments: one for the amount of unpaid rent and the other requiring the tenant to vacate the property.¹¹¹ Before filing a nonpayment case, a landlord must first serve the tenant with a written demand for the unpaid rent.¹¹² If at least fourteen calendar days have passed since that demand was served,¹¹³ and the tenant still has not paid the rent demanded, the landlord can file a petition with the housing court, and serve the tenant with a notice of petition and petition. Even after the case is filed, until an eviction warrant is executed, the tenant can avoid eviction by paying the amount of rent demanded to the landlord or determined to be due by the court.¹¹⁴

In New York City, a nonpayment petition must be answered within 10 days of service.¹¹⁵ The answer must raise any defenses the tenant asserts, and specify any counterclaims the tenant wants to bring.¹¹⁶ If the tenant fails to answer (or if the tenant or the landlord subsequently fails to appear at any stage of the case), the court may enter a default judgment in favor of the other party.¹¹⁷ If the tenant does answer, they will then be given a date for a first appearance in Housing Court within 3-8 days.¹¹⁸

111. Residential Landlord Tenant L. in N.Y. § 9:1.

112. N.Y. Real Prop. Acts. Law § 735

113. N.Y. Real Prop. Acts. Law § 711.2 (increased by HSTPA from 3 days)

114. Two distinct RPAPL provisions govern here. §751 allows the tenant to stay their case prior to the issuance of an eviction warrant by depositing all rent due with the court’s clerk. §749(3), as amended by the HSTPA, allows the court to vacate a warrant of eviction prior to its execution if the tenant pays all rent, unless the court determines the tenant withheld the rent in bad faith. §749(3) even provides for restoration of possession after execution of an eviction warrant.

115. 22 NYCRR 208.42(c) (adopting RPAPL § 732’s nonpayment timing provisions).

116. N.Y. Real Prop. Acts. Law § 743 (McKinney 2019).

117. Residential Landlord Tenant L. in N.Y. § 15:10.

118. N.Y. Real Prop. Acts. Law § 732 (McKinney 2019).

At this appearance, the landlord and tenant (or their attorneys—in New York City, low-income tenants should have an attorney appointed to represent them) will typically try to negotiate a solution. If the parties in a nonpayment case are not able to negotiate a settlement agreement at this stage, or the court does not resolve the case on pretrial motions,¹¹⁹ the case must proceed to trial, but most cases settle without trial. The landlord bears the burden of proving the elements of the claim by a “preponderance of the evidence.”¹²⁰ If after trial, the judge decides in favor of the landlord, the judge will enter a judgment in favor of the landlord for the amount of unpaid rent the court finds to be due, and judgment for possession if the landlord sought to end the lease because of the nonpayment.

Holdover Cases in Unregulated Rented Homes

A landlord is generally free to decline to renew a tenant’s lease in housing that is unregulated after serving the required 30-, 60-, or 90-day notice (depending upon the length of the tenant’s occupancy or lease).¹²¹ If the tenant refuses to leave, the landlord will then have to bring a holdover eviction proceeding, and will be required to prove only that the lease expired—the landlord need not give a reason for refusing to renew the lease.¹²² Those cases are referred to as “no cause” holdovers.

As in a nonpayment case, the landlord must serve a notice to the tenant (or person occupying the property like a tenant) before filing a holdover eviction case. The notice’s name and form varies with the grounds underlying the holdover case, but generally, the notice must be served at least 10 days before a case is filed.¹²³ Once the notice period has been satisfied, the landlord can file the holdover case with a petition and notice of petition.¹²⁴ The tenant must answer on the return date, which in New York City must be set between 10 and 17 days after the petition is served.¹²⁵ If a tenant answers, but does not resolve the case directly with the landlord, the case will proceed to a trial, as in a nonpayment case. Within New York City, the

119. The New York Civil Practice Law and Rules govern motion practice in housing court. Examples of pretrial motions include motions to dismiss, motions for summary judgment, and motions for joinder and removal. *See Residential Landlord Tenant L. in N.Y.* § 13:1.

120. *Residential Landlord Tenant L. in N.Y.* § 1:32.

121. *Id.* at § 8:43.

122. *Id.*

123. *N.Y. Real Prop. Acts. Law* § 713.

124. *Id.* at § 731.

125. *Id.* at § 733(1).



trial must take place within 5 to 15 days,¹²⁶ although as discussed below, it rarely does because of adjournments and motion practice. However, if the tenant does not answer, unlike the process in a nonpayment case, the court must go through a separate “inquest” and interrogate the basis of the case before issuing a default judgment for the landlord.¹²⁷

Warrants of Eviction

Once a judgment of possession for the landlord has been rendered in either a nonpayment or holdover proceeding, the court will issue a warrant of eviction authorizing an officer (a county sheriff or any constable or marshal of the city) to move forward with the eviction process.¹²⁸ The warrant will show the earliest date the warrant can be executed, describe the property in question, and instruct the officer to remove the occupants of the property named in the eviction proceeding and restore possession of the property to the landlord.¹²⁹

After issuing a warrant of eviction, the officer will serve the occupants of the property with a notice of eviction. The notice must give the occupant at least 14 days from the date of service to voluntarily leave the premises.¹³⁰ When the notice period expires, the officer will execute the warrant and physically evict the occupant. Execution of the warrant must take place on a business day during daylight hours.¹³¹ From the date a judgment is rendered, at least two weeks’ notice, plus at least a few days’ processing time, will have elapsed before the landlord is given possession.

As Figure Four shows, a relatively small fraction of eviction filings result in a warrant of eviction, in part because most cases result in a settlement in which the landlord and tenant agree about how to resolve the dispute. An even smaller fraction result in an executed warrant.

126. N.Y. Ct. R. § 208.43(g) (McKinney).

127. Id. at § 208.43(f).

128. N.Y. Real Prop. Acts. Law § 749(1) (McKinney 2019).

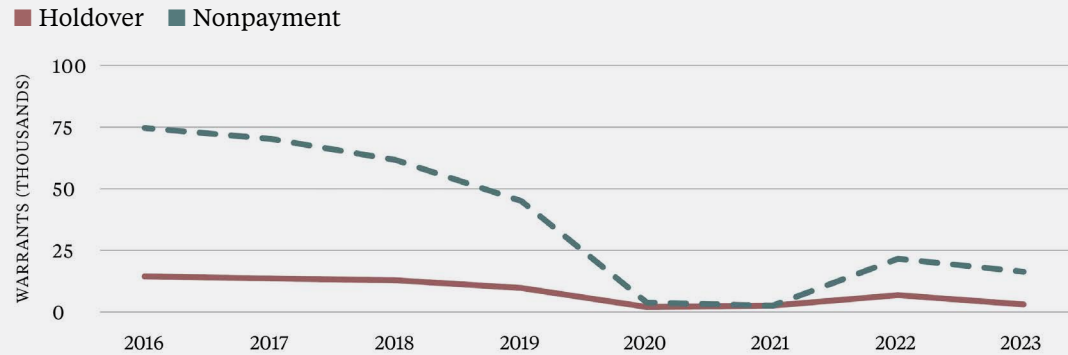
129. Id.

130. Id. §749(2)(a).

131. Id.

Figure Four: Total Eviction Filings Resulting in a Warrant

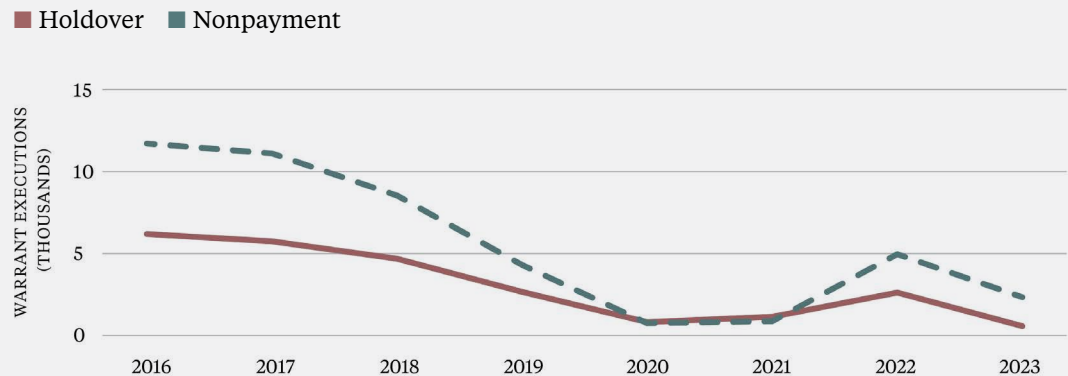
Cases Filed in New York City from 2016-2023 in Units Other Than NYCHA



Sources: NYS Office of Court Administration, NYU Furman Center

Figure Five: Total Eviction Filings Resulting in an Executed Warrant

Cases Filed in New York City from 2016-2023 in Units Other Than NYCHA



Sources: NYS Office of Court Administration, NYU Furman Center

How Long Do Eviction Processes Take?

Broad statements about how long the process takes are difficult, as each case may pose particular complexities, and parties can settle at any time. However, at minimum, in New York City, a nonpayment case will take no less than roughly a month from service of the rent demand to judgment: 14 days for the notice of rent demand, 10 days for the answer, and a court appearance in 3 to 7 days, as explained above. A holdover case also will take no less than about one month: 10 days for the notice, 10-17 days for the answer, and at least 5 to 15 days for the case to be scheduled for trial if the tenant answered, or for review by the judge if the tenant defaulted.



In reality, the process can often take much longer, especially if all parties are represented by counsel. The judge can postpone court dates for scheduling or other reasons. Any party to a case has a right to ask the court for a 14 day adjournment.¹³² Further, parties in eviction cases frequently bring motions called “orders to show cause,” asking the court for interim relief, such as more time for the parties to comply with a settlement, which effectively pauses the eviction process pending a hearing on that motion.¹³³ Orders to show cause also are used to stay warrants of eviction.¹³⁴ Any Housing Court proceeding accordingly is subject to a great deal of variation in the time each stage of a case may take. Judges in Housing Court have broad discretion to control their calendars and issue adjournments for any length of time and for any purpose.¹³⁵ In practice, many common events, such as a lawyer’s failure to appear or a judge’s personal absence can lead to delays of weeks or months.¹³⁶

Figure Six shows the time nonpayment and holdover cases took that were filed in 2017 and 2018 in New York City (not including NYCHA’s public housing).¹³⁷ Those years are most informative, because they are the most recent years for which most cases are likely to have been resolved before the pandemic. They likely underestimate the time cases take, however, because in 2017 and 2018, only thirty percent or less of the tenants appearing in housing court in eviction proceedings were represented by counsel,¹³⁸ and cases may take longer on average when the tenants are represented.¹³⁹

132. N.Y. Real Prop. Acts. Law § 745(1). In reality, adjournments are frequently granted for longer than 14 days. For a perspective from the landlords’ bar, see Nahins, T. Housing Court Post-Pandemic: Plagued by Delays. *New York Apartment Law Insider*. <https://www.apartmentlawinsider.com/blogs/todd-nahins/housing-court-post-pandemic-plagued-delays> (“The first court date is uneventful unless your adversary wishes to settle. No matter the reason for the request for the adjournment...the Court with few exceptions will grant at least a six-week adjournment.”)

133. N.Y. Real Prop. Acts. Law § 749; Residential Landlord Tenant L. in N.Y. § 17:1.

134. N.Y. Real Prop. Acts. Law § 749(3) (McKinney 2019).

135. Residential Landlord Tenant L. in N.Y. § 14:8.

136. Nahins, T. Dealing with Delays in Housing Court. *New York Apartment Law Insider*.

<https://www.apartmentlawinsider.com/blogs/todd-nahins/dealing-delays-housing-court> (highlighting the delays in an eviction case caused by a judge’s or landlord’s absence).

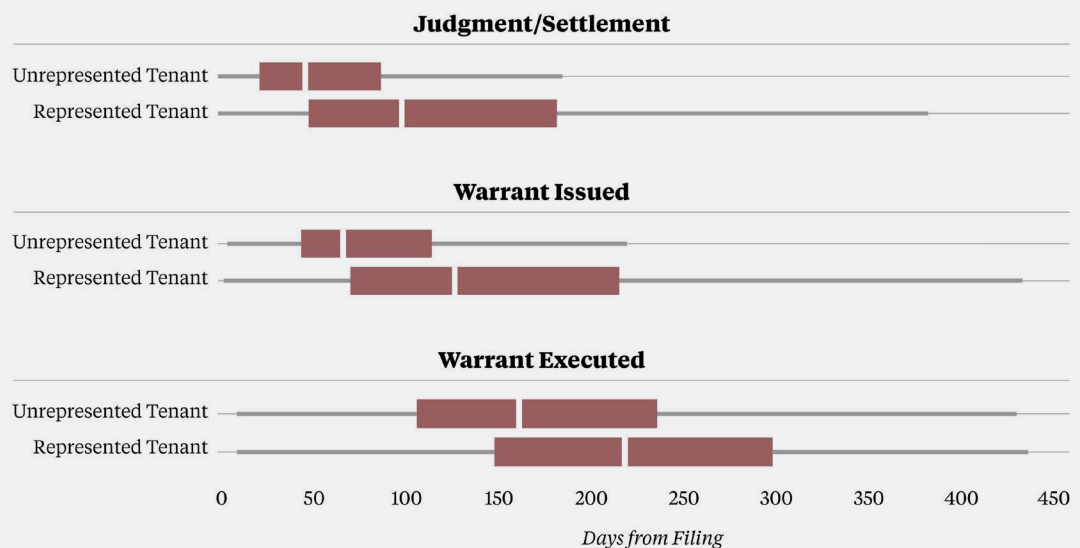
137. The Rent Stabilization Association, a trade group representing the owners of rent stabilized apartments did its own analysis of eviction data, and concluded that the “average duration of cases resulting in eviction” between January and June, 2022 was “nearly 2 years (20.4 months).” The RSA analysis does not distinguish between represented and unrepresented cases, and the period chosen was one in which delays caused by the moratorium were particularly acute. https://rsanyc.net/wp-content/uploads/2023/11/November-2023_web-1-2.pdf

138. Universal Access to Legal Services: A Report on Year Four of Implementation in New York City. (2021). *Office of Civil Justice, New York City Human Resources Administration*. https://www.nyc.gov/assets/hra/downloads/pdf/services/civiljustice/OCJ_UA_Annual_Report_2021.pdf

139. A key mechanism driving this change is that with representation, tenants are more likely to appear in the first place, less likely to settle with landlords quickly, and more likely to see their cases through in court. See Cassidy, M., & Currie, J. (2023). The effects of legal representation on tenant outcomes in housing court: Evidence from New York City’s universal access program. *Journal of Public Economics*, 222, 104844. (“In terms of possible mechanisms for the effects of tenant representation, Table 1 suggests that the UA zip codes see fewer cases with a judgment due to a settlement, and fewer cases that are forfeited by a tenant failure to appear.”).

Each panel in Figure Six represents the number of days from filing to a different case milestone. The distribution of case lengths is represented by a boxplot where the box outlines the 25th to 75th percentile of case length, the horizontal line in the box represents the median, and the vertical lines above and below the box represent the remaining, non-outlier distribution. The boxes on the left show the distribution of cases where at least one tenant had legal representation, and the boxes on the right show the distribution of cases where all tenants were unrepresented. Each panel includes all cases that reached the given milestone (even if a case continued on to other milestones), and the time is always measured from the filing date (even though later milestones require a case to first reach the earlier milestones).

Figure Six: Days From Eviction Filing to Judgment or Settlement; Issuance of a Warrant; And Execution of a Warrant
Cases Filed in New York City in 2017 and 2018 in Units Other Than NYCHA



Sources: NYS Office of Court Administration, NYU Furman Center

These medians are the best evidence we have of how long it takes for cases to reach particular resolutions, but it is unclear whether they over- or under-state the time the parties actually have to wait for proceedings to conclude. First, the majority of eviction cases brought in Housing Court are resolved by stipulations, which are essentially settlements between the landlord and tenant. Parties can enter into a stipulation at any point in the proceedings, although in practice, stipulations usually are agreed

to when both parties are physically in court.¹⁴⁰ The frequency of settlements means that the time actually required to adjudicate a case that does not settle is probably longer than the median of the settled and the adjudicated cases combined.

Second, eviction cases play out against a backdrop of a court system that is under-resourced.¹⁴¹ This lack of resources affects the time it takes to resolve cases, and is particularly acute right now because various moratoria were imposed upon evictions during the pandemic. Since the moratoria were removed, the courts have faced a well-documented backlog of eviction cases.¹⁴² Delays caused by resource constraints in Housing Court, and for legal assistance for tenants, are hard to disentangle from the delays caused by the pandemic moratoria, however, so it is difficult to evaluate how those constraints will affect the time eviction proceedings take to resolve once the pandemic backlogs are resolved.

Third, the Emergency Rental Assistance Program,¹⁴³ in addition to the longer standing “One-Shot” program,¹⁴⁴ may contribute to delays. Cases generally do not move forward while an application for one of these programs is pending. In addition, the requirement of the one-shot program that the applicant have some earned income¹⁴⁵ may lead to strategic litigation behavior, as tenants or their lawyers may try to stall resolution of a case until the tenant can document earned income and receive a “one-shot” payment to help resolve rent arrears. Again, it is hard to assess how prevalent those delays are, how much time they actually add to the process, and whether they will persist once rental arrears from the pandemic era are resolved.

140. Residential Landlord Tenant L. in N.Y. § 1:25 (“It should be noted that the vast majority of cases are resolved by settlement, or stipulation, between the parties. A settlement can be entered into at any point of the proceeding, but is most likely to be arranged when the parties are in court.”)

141. Testimony in Support of the NYS Judiciary’s 2023-24 Budget Request, New York City Bar (Feb. 9, 2023), https://www.nycbar.org/wp-content/uploads/2023/05/20221136_Judiciary2023-24BudgetRequest.pdf. (“As discussed above, the Housing Court faced a doubling of filings to 109,861 in 2022.21 Yet the Budget proposes a \$32.3 million funding level, representing a sub-inflation \$900,000 (2.8%) increase over the current year adjusted appropriation. That proposed funding is less, even in nominal terms, than the \$34.5 million Housing Court funding request in the last pre-pandemic budget proposed in late 2019. The Housing Court’s current struggles are unlikely to be ameliorated without substantial additional resources. Court staff, attorneys and legal services providers are simply unable to keep up.”)

142. See, e.g., Jones, D. R. (2022, March 17). Courts Become the New Battlefield for Housing Crisis. *Community Service Society*. <https://www.cssny.org/news/entry/courts-become-new-battlefield-for-housing-crisis>; Festa, F. & Iezzi, A. (2023, January 3). NYC’s Floundering Right to Counsel Fails to Keep Pace With Eviction Cases. *City Limits*. <https://citylimits.org/2023/01/03/nycs-floundering-right-to-counsel-fails-to-keep-pace-with-eviction-cases/>

143. ERAP provided economic relief to low and moderate-income households at risk of housing instability. Eligible households could receive up to 12 months of back rent and 3 months of future rent. Applications closed in January 2023. NYS Emergency Rental Assistance Program. *NYC Housing Preservation & Development*. <https://www.nyc.gov/site/hpd/services-and-information/erap.page>

144. A “one-shot deal” is a one-time payment from the NYC Human Resources Administration to pay back rent to avoid eviction. One Shot Deals. *Housing Court Answers*. <https://housingcourtanswers.org/answers/for-tenants/housing-court-tenants/rent-arrears-tenants/one-shot-deals/>

145. One Shot Deals. *Housing Court Answers*. <https://housingcourtanswers.org/answers/for-tenants/housing-court-tenants/rent-arrears-tenants/one-shot-deals/>

Appendix

Estimated Count of Occupied Rented Homes, by Building Size, that Might Be Covered by a Good Cause Requirement

<i>Building Size</i>	<i>Total Renter Households in all Unregulated Units</i>	<i>Renter Households in Unregulated Units in Condos/Co-ops (Included in Total Renter Households)</i>	<i>Renter Households in Unregulated Units Covered by Owner-Occupied Exemption</i>
1 Unit	71,988	–	0
2 Units	239,600	2,234	-158,597
3 Units	167,710	3,055	-101,773
4-5 Units	93,427	4,405	0
6-9 Units	63,679	5,546	0
10+ Units	332,468	123,461	0
Total	968,872	138,701	-260,370

Source: New York City Housing and Vacancy Survey (2021), NYU Furman Center

As discussed in the main text, several data sources offer different advantages and disadvantages for assessing year-over-year rent change in New York City’s unregulated housing stock. All are limited by the fact that we cannot distinguish renewals from rented homes that became occupied by new tenants, or were listed for the first time (in the case of new construction). All are limited by the inability to show the longitudinal trajectory of the same apartment over time, which would allow for better comparisons.

Despite these known limitations, we present four additional charts that can help provide some insight into both year-over-year comparisons and comparisons over longer periods of time.

Year-over-Year Change in Percentage Terms

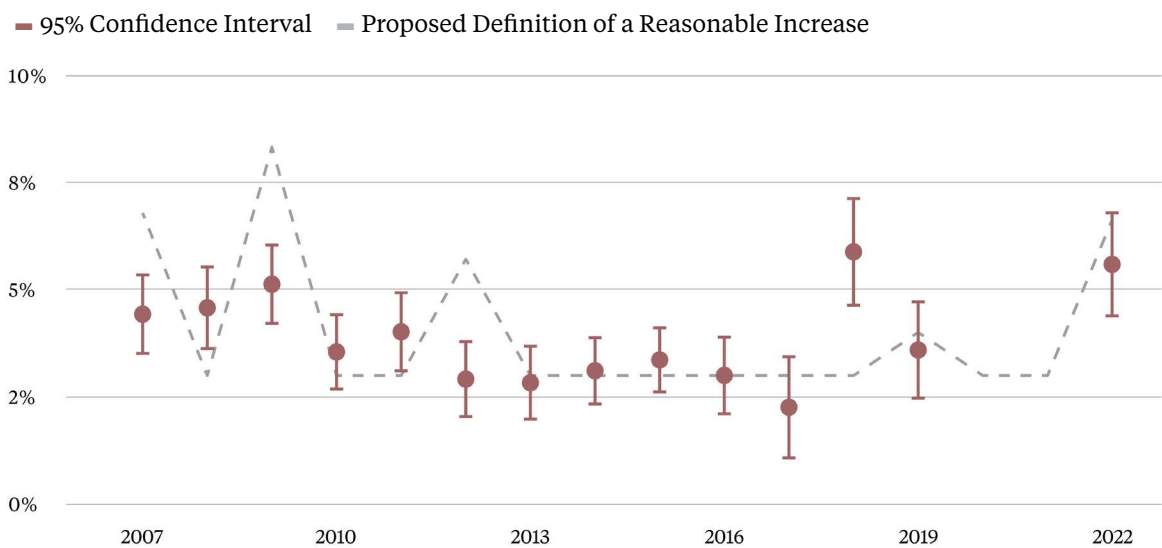
1. Median Contract Rent, One-Year ACS Data (2006-2022, not including 2020)

As shown in the main text, the annual percent change in the median contract rent across the city averaged to 3.87 percent (with an average margin of error of +/- .95%) between 2007 and 2022. This chart shows the margins of error (the vertical lines) for each year’s survey, highlighting that a limitation of the survey data is its inability to provide more

precise estimates with confidence. Notably, the sample during 2020 is deemed unreliable, so we cannot show rent trends during the pandemic period. The table below shows the values represented in the chart, along with the margins of error at the 95th percent confidence interval.

Percent Change in Median Contract Rent Relative to the Salazar/Hunter Bill’s Definition of a Reasonable Increase

New York City, 2006-2022, 1-Year ACS



Sources: American Community Survey, NYU Furman Center

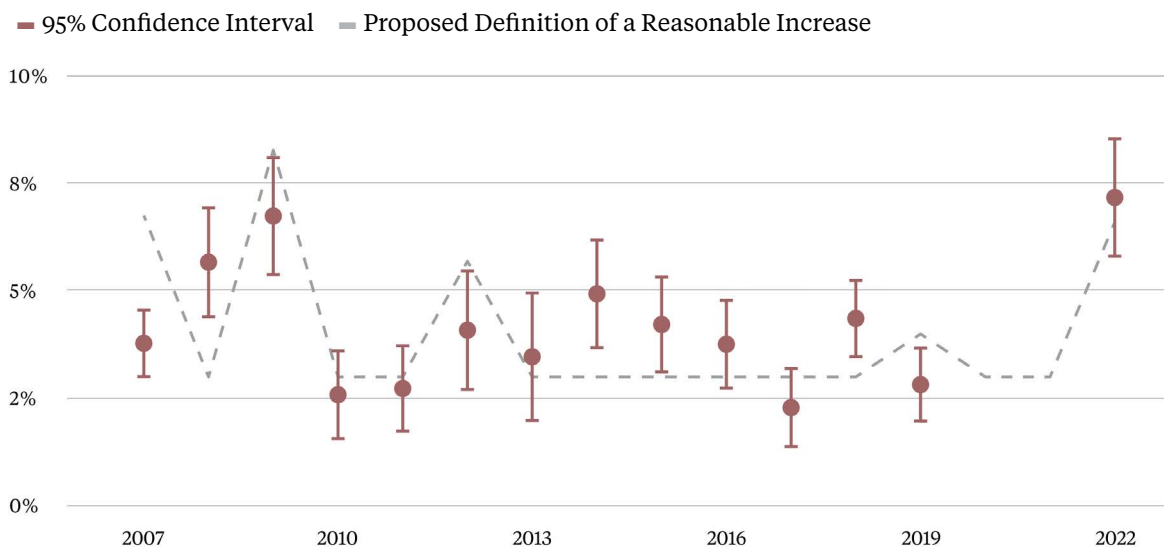
Year	Previous Rent	Current Rent	Percent Change
2007	\$860 (+/- \$5)	\$898 (+/- \$6)	4.4% (+/- 0.9%)
2008	\$898 (+/- \$6)	\$939 (+/- \$6)	4.6% (+/- 0.9%)
2009	\$939 (+/- \$6)	\$987 (+/- \$6)	5.1% (+/- 0.9%)
2010	\$987 (+/- \$6)	\$1,022 (+/- \$6)	3.5% (+/- 0.9%)
2011	\$1,022 (+/- \$6)	\$1,063 (+/- \$7)	4.0% (+/- 0.9%)
2012	\$1,063 (+/- \$7)	\$1,094 (+/- \$6)	2.9% (+/- 0.9%)
2013	\$1,094 (+/- \$6)	\$1,125 (+/- \$7)	2.8% (+/- 0.8%)
2014	\$1,125 (+/- \$7)	\$1,160 (+/- \$5)	3.1% (+/- 0.8%)
2015	\$1,160 (+/- \$5)	\$1,199 (+/- \$7)	3.4% (+/- 0.7%)
2016	\$1,199 (+/- \$7)	\$1,235 (+/- \$8)	3.0% (+/- 0.9%)
2017	\$1,235 (+/- \$8)	\$1,263 (+/- \$12)	2.3% (+/- 1.2%)
2018	\$1,263 (+/- \$12)	\$1,337 (+/- \$10)	5.9% (+/- 1.2%)
2019	\$1,337 (+/- \$10)	\$1,385 (+/- \$11)	3.6% (+/- 1.1%)
2020	\$1,385 (+/- \$11)		
2021		\$1,490 (+/- \$14)	
2022	\$1,490 (+/- \$14)	\$1,573 (+/- \$11)	5.6% (+/- 1.2%)

2. 75th Percentile of Contract Rent, One-Year ACS Data (2006-2022, not including 2020)

A critique of the annual change in the ACS median rent is that it over-represents the regulated rental stock, potentially leading to an understatement of rent increases in the unregulated stock. To address this, the following chart shows year-over-year changes at the 75th percentile of units occupied by renters, using the same ACS data. The average annual change for rents at the 75th percentile was 4.19% (margin of error: $\pm 1.13\%$), slightly higher than the median's 3.87% (margin of error: $\pm 0.95\%$). Despite these small differences, the trajectories of both the median and 75th percentile were closely aligned, and within the same margin of error. However, a significant limitation of both analyses is the exclusion of 2020 data, which prevents the inclusion of 2019-2020 and 2020-2021 changes.

Percent Change in 75th Percentile Rent Relative to the Salazar/Hunter Bill's Definition of a Reasonable Increase

New York City, 2006-2022, 1-Year ACS



Sources: American Community Survey, NYU Furman Center

Year	Previous Rent	Current Rent	Percent Change
2007	\$1,190 (+/- \$6)	\$1,235 (+/- \$7)	3.8% (+/- 0.8%)
2008	\$1,235 (+/- \$7)	\$1,305 (+/- \$14)	5.7% (+/- 1.3%)
2009	\$1,305 (+/- \$14)	\$1,393 (+/- \$11)	6.7% (+/- 1.4%)
2010	\$1,393 (+/- \$11)	\$1,429 (+/- \$9)	2.6% (+/- 1.0%)
2011	\$1,429 (+/- \$9)	\$1,468 (+/- \$11)	2.7% (+/- 1.0%)
2012	\$1,468 (+/- \$11)	\$1,528 (+/- \$17)	4.1% (+/- 1.4%)



<i>Year</i>	<i>Previous Rent</i>	<i>Current Rent</i>	<i>Percent Change</i>
2013	\$1,528 (+/- \$17)	\$1,581 (+/- \$15)	3.5% (+/- 1.5%)
2014	\$1,581 (+/- \$15)	\$1,659 (+/- \$13)	4.9% (+/- 1.3%)
2015	\$1,659 (+/- \$13)	\$1,729 (+/- \$13)	4.2% (+/- 1.1%)
2016	\$1,729 (+/- \$13)	\$1,794 (+/- \$12)	3.8% (+/- 1.0%)
2017	\$1,794 (+/- \$12)	\$1,835 (+/- \$11)	2.3% (+/- 0.9%)
2018	\$1,835 (+/- \$11)	\$1,915 (+/- \$12)	4.4% (+/- 0.9%)
2019	\$1,915 (+/- \$12)	\$1,969 (+/- \$11)	2.8% (+/- 0.8%)
2020	\$1,969 (+/- \$11)		
2021		\$2,049 (+/- \$23)	
2022	\$2,049 (+/- \$23)	\$2,196 (+/- \$16)	7.2% (+/- 1.4%)

3. Miller Samuel Data (2009-2023)

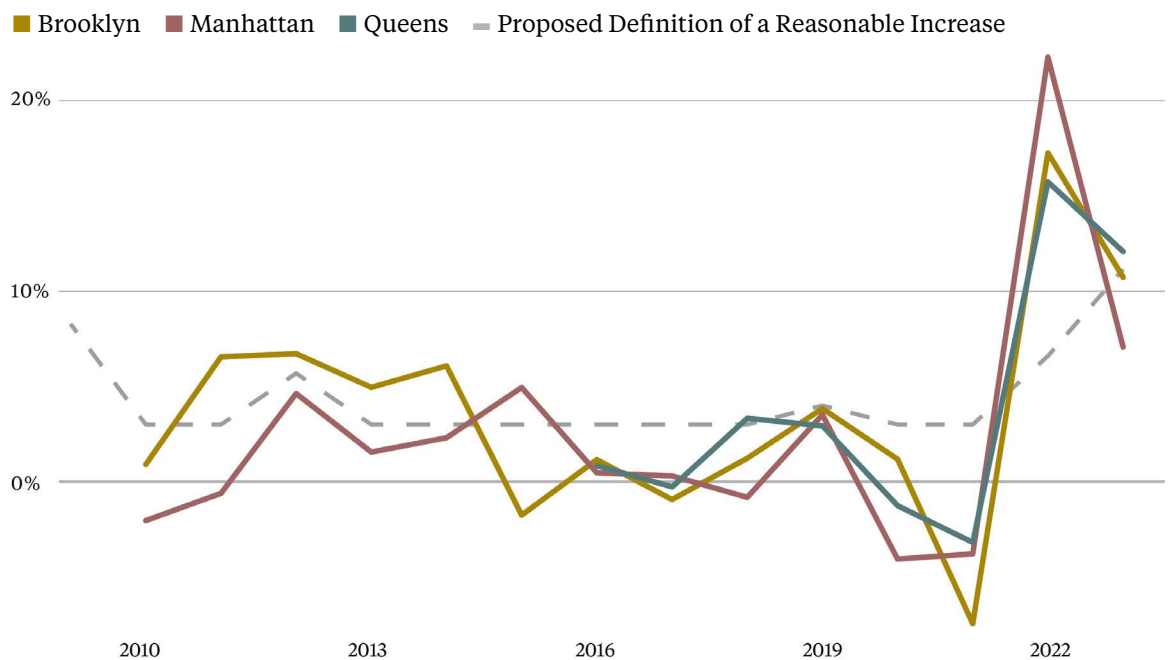
Miller Samuel data provide insights into the higher-cost segment of New York City’s rental housing market, primarily focusing on actual rents of listings reported by brokers. For a sense of the population and geographic representation of underlying data, the Miller Samuel rent measure derives from about 76,000 leases in 2023 alone, 52,500 of which were in Manhattan, 19,200 in Brooklyn, and 4,500 in Queens (limited to Long Island City, Astoria, Sunnyside, and Woodside). An advantage of this dataset is its timeliness. It offers a look into the pandemic period, with monthly updates to median rent from 2009 through 2023 for Brooklyn and Manhattan, and from 2014 through 2023 for portions of Queens. However, it has limitations in scope, notably omitting information on regions like the Bronx or Staten Island and not covering the lower-cost, unregulated market. The data predominantly reflect rents in high-rise and expensive buildings, which do not align with the broader range of properties impacted by potential legislative measures like the Good Cause requirement. Furthermore, this dataset does not include renewal lease information, limiting our ability to use it to determine typical rent increases for existing tenants. Despite these constraints, Miller Samuel data informs understanding long-term cost trends within a particular segment of the unregulated market. It provides unique insights into the market dynamics during the 2020 and 2021 period, including the impact of the pandemic and subsequent recovery in 2022.

The data highlight that annual percentage changes in median rent similarly hovered around the definition of a “reasonable” increase contained in the proposed good cause legislation during the pre-pandemic, relatively low inflation period. But data also reveal an actual

decline in the median rent in this particular segment during 2020 and 2021 (compared to 2019 and 2020), a directional change not captured by Census Data. This was then followed by a significant reversal between 2021 and 2022, substantially surpassing what would have been considered “reasonable” if the Salazar/Hunter Good Cause proposal had been in effect. Spreading these changes out across 2020, 2021, 2022, and 2023 shows that the annual average of the percent change of median rent as compared to the prior year was 5.69 percent. Finally, the data show some geographic variation in rent patterns, but data are available only between Manhattan, Brooklyn, and Queens.

Percent Change in Median Rent Relative to the Salazar/Hunter Bill’s Definition of a Reasonable Increase

New York City, 2009-2023, Miller Samuel Data



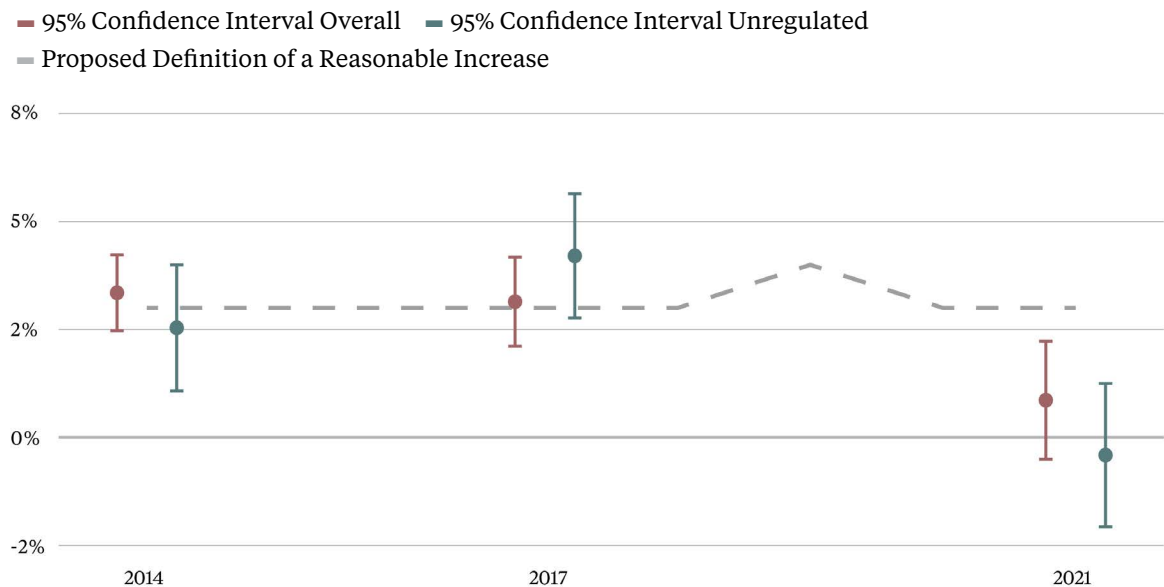
Sources: Miller Samuel, NYU Furman Center

Longer Period Comparisons

1. The New York City Housing and Vacancy Survey (HVS), normally released triennially, provides a comprehensive overview of trends in the city’s housing market, including within just the unregulated housing stock. While the HVS offers a more inclusive representation of unregulated housing compared to Miller Samuel data, it is constrained because it is released less frequently. Usually conducted every three years, the most recent survey “approximates rental market activity over the 30-month period from January 2019 through June 2021.”¹⁴⁶ Like any survey based on sampling, including the ACS, the HVS faces limitations due to sample size, potentially resulting in larger margins of error. This chart presents the percent change in median rents for unregulated rented homes in New York City, comparing data across several HVS periods. Overall, the HVS data indicate that the median rent, put into annualized terms, appeared to be in the 2.5 to 4.2 percent range in the period prior to the pandemic, and -.04% for the period covering the pandemic.

Average Annual Percent Change in Median Gross Rent Relative to the Salazar/Hunter Bill’s Definition of a Reasonable Increase

New York City, 2011-2021, HVS



Sources: New York City Housing and Vacancy Survey, NYU Furman Center

146. 2021 Housing and Vacancy Survey Selected Initial Findings (2022, May 16). New York City Department of Housing and Preservation. <https://www.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>

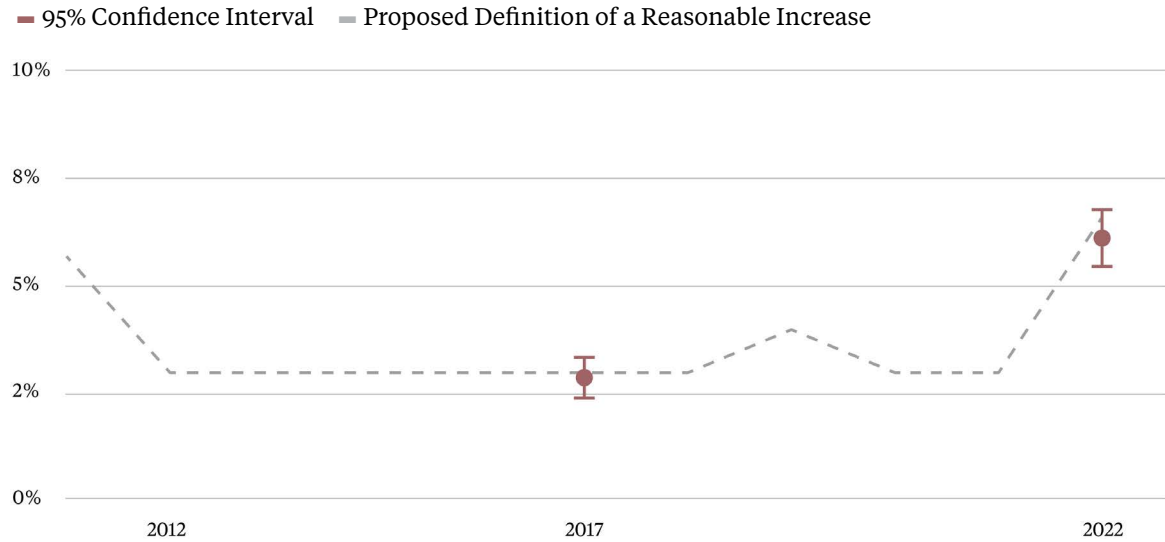


<i>Period</i>	<i>Start Rent</i>	<i>End Rent</i>	<i>Total Percent Change</i>	<i>Average Annual Percent Change</i>
Overall				
2011-2014	\$1,204 (+/- \$5)	\$1,325 (+/- \$9)	10.0% (+/- 0.9%)	3.3%
2014-2017	\$1,325 (+/- \$9)	\$1,450 (+/- \$10)	9.4% (+/- 1.0%)	3.1%
2017-2021	\$1,450 (+/- \$10)	\$1,500 (+/- \$17)	3.4% (+/- 1.4%)	0.9%
Unregulated				
2011-2014	\$1,510 (+/- \$15)	\$1,625 (+/- \$16)	7.6% (+/- 1.5%)	2.5%
2014-2017	\$1,625 (+/- \$16)	\$1,830 (+/- \$17)	12.6% (+/- 1.4%)	4.2%
2017-2021	\$1,830 (+/- \$17)	\$1,800 (+/- \$25)	-1.6% (+/- 1.7%)	-0.4%

2. Finally, we show American Community Survey 5 year data to approximate annual changes in median rent (2012 5-Year, 2017 5-Year, and 2022 5-Year). The 5-Year data has a larger sample size as compared to the 1-Year ACS, thereby allowing for a larger number of observations on which to base the analysis. At the same time, the 5-Year survey covers observations across a 5-year period (similar to how the HVS covers a multi-year period). For that reason, making annual comparisons is trickier. Because of this, these data suffer from the same inability to annualize the percent change precisely; to overcome this, we simply estimate the annual average over the 5 year period. Here, we find that between 2012 and 2017, the average annual change was 2.5 percent, and between 2017 and 2022, was 4.7 percent (both figures are right in the range of the proposed cap).

Percent Change in Median Contract Rent Relative to the Salazar/Hunter Bill's Definition of a Reasonable Increase

New York City, 2012-2022, 5-Year ACS



Sources: American Community Survey, NYU Furman Center

Period	Start Rent	End Rent	Percent Change	Average Annual Percent Change
2012-2017	\$1,060 (+/- \$3)	\$1,213 (+/- \$4)	14.4% (+/- 0.5%)	2.9%
2017-2022	\$1,213 (+/- \$4)	\$1,584 (+/- \$7)	30.6% (+/- 0.7%)	6.1%

These different data sources indicate that the proposed definition of reasonableness closely aligns with the pattern of actual rent increases in recent history, rather than capturing the extreme hikes that are sometimes used to argue for the necessity of a Good Cause requirement.

By Vicki Been, Matthew Murphy, Mark Willis, Ryan Brenner, Hayley Raetz

Acknowledgements: We would like to thank Jiaqi Dong, Alisa Hartwell, Masaaki Kato, and Elizabeth (Nikki) Miller for their data support. In addition, we are grateful to Tony Bodulovic, Isabelle Charo, Peter Estes, Shannon Flores, Isabel Hellman, Ben Hitchcock, Cameron Hub, Camille Preel-Dumas, Clara Smith, Will Viederman, and Lulu Zhou for their excellent research assistance. We thank all the experts who reviewed this brief for their thoughtful comments.

Correction: A prior version of this report appeared on our website that included errors in counting properties with 4+ units using the 2021 New York City Housing and Vacancy Survey. Those errors are corrected in this version (updated 4/3/2024).



January 13, 2025

Tram Hoang
Senior Associate, Housing
PolicyLink

Dear Chair Smith and Members of the Committee,

On behalf of PolicyLink, I am writing to share our analysis on the impacts of tenant protections and their critical role in a functioning housing market. PolicyLink is a national research and action institute dedicated to advancing racial and economic equity for 100 million Americans living in poverty — particularly those who face the burdens of structural racism — so that all Americans can participate in a just society, live in thriving communities, and prosper in an equitable economy. Our team has worked with dozens of groups across the country who are advancing housing justice through production, preservation, and protections, and recognize the impact and importance of local and state policy to create a more equitable federal housing system.

Despite myths perpetuated by the billion-dollar real estate lobby who has consistently [fought against all types of tenant protections at every level of government](#), empirical evidence of what actually happens in housing markets across the country tell us two things:

1. Housing development and affordability are overwhelmingly shaped by land use laws/land availability, interest rates and insurance rates - and not negatively impacted by tenant protection regulations.
2. Good cause eviction is a sound policy to provide fast and widespread relief to residents by increasing housing stability and landlord accountability without adding to housing costs.

The Real Estate Boom-and-Bust Cycle Continues Regardless of Tenant Protections

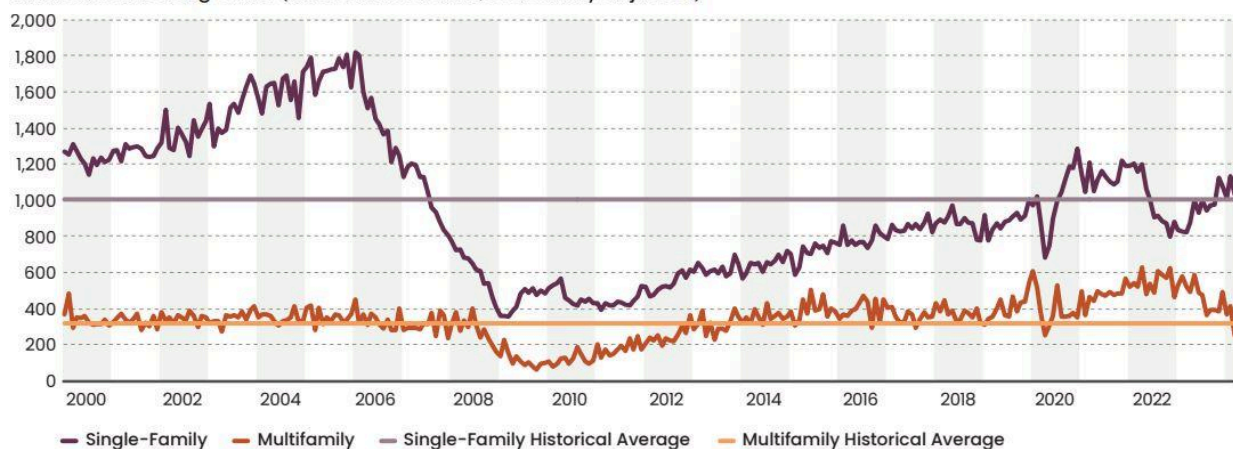
To address and disprove fears of effects of tenant protections on housing production, researchers at [UC Berkeley studied the housing market](#) in the Bay Area, and found that between 2007 and 2013, the six cities that had strong tenant protections in the Bay Area produced more housing units per capita than cities without them. This is not to say that tenant protections create housing, but that the lack of tenant protections does not guarantee that more housing will be built. Cities must also be making land available for development and investing in the production of housing, especially affordable housing.

This research from UC Berkeley is important to ground us in the reality that there are much larger economic and global forces impacting housing supply than tenant protections. When we think about the last 5 years, with a global pandemic, economic recession, rising interest rates, global supply chain interruptions and labor shortages – we’ve still managed to see historic rates of housing construction. In the graph below from the Joint Center for Housing Studies at Harvard, you can see the purple line showing single family housing construction and the orange line showing multifamily housing

construction. The United States experienced a peak in construction in 2023, during which over 1M multifamily units were completed.

Single-Family Construction Is Accelerating While Multifamily Development Declines

Annualized Housing Starts (Thousands of units, seasonally adjusted)



Note: Single-family and multifamily historical averages are of seasonally adjusted monthly data from January 1990 to March 2024.
Source: JCHS tabulations of US Census Bureau, New Residential Construction.

Source:

https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf

Local and state governments can and should be playing a role in building housing despite the real estate boom and bust cycle - adding to critical housing supply regardless of when the private sector is producing. This will especially be true in the coming years, as [Fannie Mae](#) is expecting subdued volumes of loans originated for multifamily housing in 2024 and continued softness in the market. As we experience a drop in production - which landlords will undoubtedly blame on local and state action while conveniently ignoring larger economic forces - we'll see a tighter housing market, in which it's even more important to have tenant protections in place.

It's important to note that throughout this increase in construction in recent years, we've seen tenant protections passed across the country. Here are just a few examples of jurisdictions that have passed new housing policies related to tenant-landlord law:

- In 2021, Washington state passed good cause.
- In 2021, Seattle, WA; Louisville, KY; Denver, CO; Toledo, OH; Minneapolis, MN; and Kansas City, MO passed tenant right to counsel.
- In 2022, Illinois passed source of income discrimination.
- In 2022, New Orleans, LA and Detroit, MI passed tenant right to counsel.
- In 2023, Minnesota passed laws related to pre-eviction protections, expungement reform, transparency in housing costs, heat code minimums, emergency repairs, and reduced court fees.

- In 2023, Tacoma and Bellingham, WA passed renter relocation assistance ordinances.
- In 2023, California passed the Homelessness Prevent Act, which increased enforcement of eviction protections and closed eviction loopholes.
- In 2024, Colorado and New York state passed good cause.

Of course, this is not to say that tenant protections are correlated to an increase in housing production, but simply to make the case that housing production takes place despite the presence of tenant protections.

Furthermore, based on industry surveys conducted and published by groups like the [National Multifamily Housing Council](#), the factors that developers reported impacting their work were not tenant protections, but rather:

- economic uncertainty (83% of respondents)
- availability of construction financing (79% of respondents)
- economic feasibility (71% of respondents)
- permitting and professional services (half of respondents)

In February, the [National Association of Home Builders](#) named tight lending conditions, high cost of development loans, and a shortage of skilled labor as major headwinds in the multifamily market.

As to concerns about maintenance of existing housing, this has been a concern long before tenant protections entered the conversation. Aging housing stock is, naturally, more of a concern in places with older housing stock - regardless of whether the geography has tenant protections. Reports from [Freddie Mac](#) and [NPR](#) outline the issues facing renters and homeowners across the country. While it is convenient to blame recently passed tenant protections, the need for rehabilitation and renovation of aging homes has been a problem we could have seen coming since - well, since the housing was built. It was only a matter of time, and emphasizes the need for responsible property management in the form of capital improvement and maintenance budgets - something many [large landlords have neglected](#) in return for skyrocketing profits.

We Must Contend With Increased Concentration of Landlord Power

We have never lived in a housing market that's abided by the simplistic rules of supply and demand, and that is even more true in a post-foreclosure world in which mega-corporations and investment firms have continued to hoard housing stock as assets, ultimately preventing their utility as places for people to live. In order to keep our communities whole and thriving, we must contend with this increase in power and pass policies that will disrupt the cycle of evictions, displacement and wealth extraction. Tenant protections are one way to do this.

Economists Brian Callaci and Sandeep Vaheesan write in the [Harvard Business Review](#):

*“Economics 101 teaches that when prices of a good like housing rise, that acts as a signal to producers to supply more of that good...There’s another view, however, in which one underappreciated cause of runaway housing costs is the market power of developers and landlords — and more recently, software that allows them to leverage this power in unfair ways. The prime example of this is the recent Department of Justice lawsuit, joined by eight states, against the property management software company RealPage. The DOJ’s suit follows Arizona and the District of Columbia and class-action lawyers filing complaints against the platform. According to the lawsuits, **RealPage coordinated with landlords in cities such as Atlanta, Boston, Phoenix, Seattle, and Washington, D.C. to prioritize higher rents and accept lower occupancy rates, with the understanding that their overall profits will be higher under this strategy.** These allegations show the limits of a “trust the market” approach to housing policy... The truth is that the market itself needs to be fixed. Specifically, any plan to overhaul the housing market needs to, first, confront the power of landlords to raise rents. Second, it requires rethinking public governance of housing markets beyond simplistic prescriptions to just free the housing market from government regulation, assuming lower rents will follow. And third, **to that end, we need more — not less — muscular government involvement in housing, through price regulation, more robust planning, and even direct public provision.**”*

Various municipalities in Maryland have already begun to do this, such as Montgomery County HOC’s housing production program, and Prince George’s County’s new tenant protections. The U.S. Department of Housing and Urban Development has also led the way by releasing new guidance on tenant screening and junk fees to increase access to housing. Every policy or program that contributes to securing the stability of tenants is one that will stabilize our tumultuous housing market.

Ultimately, tenant protections are a cornerstone of any housing policy agenda, especially during these times in which our housing market is rapidly evolving. As in any policymaking process, we must calmly weigh the benefits as well as the cost of inaction. Across empirical data, there is very little evidence that support the disaster narratives perpetuated by those who benefit from deregulation. Real estate actors who cry wolf about the “housing crisis that will take place if tenant protections are passed” seem to forget that tenants have been experiencing a housing crisis for years. We need sound logic and political will from elected leadership to make the changes necessary to alleviate the burden of unstable housing for residents across the state.

Sincerely,



Tram Hoang
Senior Associate, PolicyLink
tram@policylink.org

Members of the Senate Judicial Proceedings Committee
Maryland General Assembly
2 East Miller Senate Office Building
Annapolis, Maryland 21401

21 January 2025

Dear Chair Smith, Vice Chair Waldstreicher and Members of the Judicial Proceedings Committee:

Thank you for the opportunity to present today on safe, fair, affordable housing, and related tenant protections in Maryland. The housing affordability crisis continues to put renters at risk in Maryland and around the country. We commend the work of this committee to address this important topic. Though committees like this one in Maryland are bringing together citizens, industry, and experts to grapple with solutions, the problem continues to get worse.

Corporate landlords have purchased larger shares of rental units and engaged in price gouging to benefit their shareholders. In December, the White House [Council of Economic Advisors](#) (CEA) noted how such actors use artificial intelligence to set prices; an anticompetitive behavior that constitutes price-fixing. CEA estimated that this cost renters \$3.8 billion in 2023, or an average of \$70 monthly per renter. Additionally, the Department of Justice [filed a lawsuit](#) against RealPage for its software and monopoly activity in the rental market. Anticompetitive market behavior and price gouging put additional strain on the most vulnerable renters, heightening the risk of eviction, homelessness, and other negative mental and physical health outcomes.

The good news: we have proven policy tools to protect tenants, such as [Good Cause Eviction Protections](#).

Good Cause Eviction Protections maintain renters' stability in their homes by protecting them from wrongful and retaliatory evictions. For example, with Good Cause protections, tenants could not be evicted for reporting inadequate housing conditions or requesting basic repairs. While some critics claim that Good Cause can stifle new construction, no published evidence exists in the scientific community to support this claim. To the contrary:

Our scientific team has conducted what we believe to be the first analysis of the impact of Good Cause Eviction Protections on development. The analysis finds no evidence that the introduction of Good Cause Eviction Protections in California, Oregon, and New Hampshire resulted in a decline of new construction (see Scientific Appendix and Figures 1-2). Additionally, preexisting research has found Good Causes Eviction Protections lead to a statistically significant *decrease in evictions* ([Cuellar 2019](#), see Figure 3) and *decrease in displacement* ([Hwang et al. 2022](#)).

Elected leaders from around the country – from the White House, to the Governor of California, and the New York Statehouse – have *advocated for and passed* new protections for tenants.

“To prevent evictions, renters should have access to **just- or good-cause eviction** protections that require a justified cause to evict a tenant.”

—[White House Blueprint for a Renters Bill of Rights](#)

“I asked the Legislature to send me a **strong renter protection** package. Today, they sent me the strongest package in America. These **anti-gouging** and **eviction protections** will help families afford to keep a roof over their heads, and they will provide California with important new tools to combat our state’s broader housing and affordability crisis.”

—[California Governor Gavin Newsom, on AB 1482](#)

“There’s very strong political will for [Good Cause Eviction Protections], very strong support for it ... Albany, Newburgh, Kingston, ... all of these localities outside of New York City that are facing the same problems with **rent, price gouging** of tenants and **tenants having virtually no protections** at all, from an eviction without “good cause.”

—[New York State Senator Julia Salazar on “Good Cause” in New York Budget](#)

In 2024, [President Biden](#) called on Congress to address the affordability crisis to “**cap rent increases** on existing units at 5% or risk losing current valuable federal tax breaks.”

Economists have found that rent controls can directly *reduce rent prices by 4-6%* and *do not reduce the supply of housing units* ([Jofre-Monseny et al. 2023](#)).

We have attached a scientific report to inform our position. We recommend that the committee advance tenant protections to prevent worsening of the rental, homelessness, and health crises.

Sincerely,

Edward Goetz, PhD, Professor and Director of the Center for Urban and Regional Affairs, University of Minnesota

Jeremy Schwartz, PhD, Professor, Economics Department Chair, Loyola University Maryland

Kenton Card, PhD, Postdoc, Center for Urban and Regional Affairs, University of Minnesota

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43. Megan E. Hatch, PhD, Associate Professor of Urban Policy and City Management, Cleveland State University
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Scientific Appendix and Sources

Did Good Cause Eviction Laws slow development in California, Oregon and New Hampshire?

California ([AB 1482](#)) and Oregon ([SB 608](#))

Analysis of the trends in permitting before and after three states passed Good- or Just-Cause legislation suggests the legislation *did not* lead to a statistically significant decrease in permitting. California and Oregon both passed legislation in 2019 and Figure 1 presents the average permits per 100,000 people (permits per capita) in California and Oregon counties, alongside the average among counties in the surrounding states of Washington, Nevada, Idaho and Arizona. It appears that the upward trend of permits in California and Oregon, and those in the surrounding states, that are present before the passage of Good Cause continue in 2019, after its passage. We test this with a more rigorous statistical method known as a “difference-in-differences” model. This approach tests whether the trends in permitting among counties subject to the passage of the legislation were different from the trends in nearby counties not subject to the legislation, after controlling for other factors including county level GDP, population, unemployment and per capita income. *We find that permits did not decline in California and Oregon counties relative to the changes occurring in surrounding states.* In fact, the data show an increase in permits by 41 per 100,000 residents after the legislation passed relative to the comparison counties, though this result was not statistically significant.

New Hampshire

Prior to the California and Oregon policies, New Hampshire passed Good Cause legislation in 2015. Figure 2 plots average permits per 100,000 people for New Hampshire counties and counties in the surrounding states of Maine, Massachusetts and Vermont. Prior to the passage of Good Cause, permits were increasing in the counties of New Hampshire and surrounding states. In 2015, permits fell in both New Hampshire and its surrounding states. The difference-in-difference model indicates that the rate of change in New Hampshire was not statistically different from the change in surrounding states. Like the California and Oregon findings, this again suggests that *there is no evidence that Good- or Just- Cause legislation leads to lower rates of development where it is enacted.*

Next Steps

Research is ongoing on a variety of channels including exploring Good Cause’s impact on types of permits (i.e. multi-family versus single family), evaluating the impact of other states’ passage of Good Cause legislation, examining data at the municipal level, and including additional controls to the statistical model.

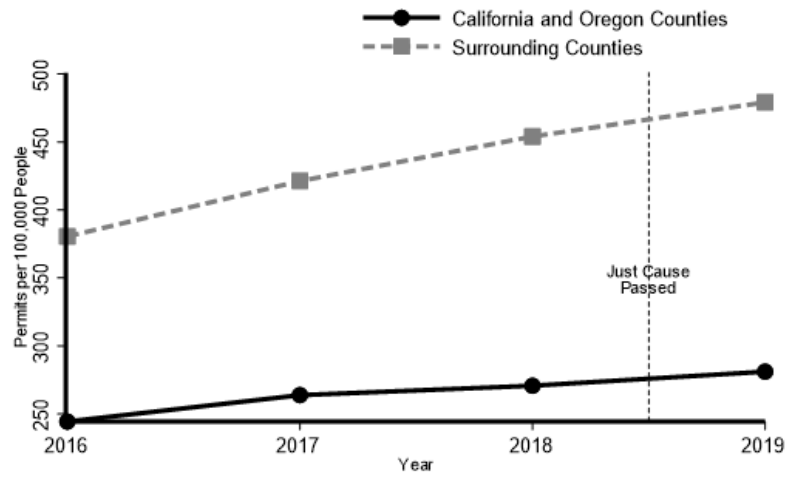


Figure 1: Rate of Construction before & after Good Cause Law Passed in California and Oregon

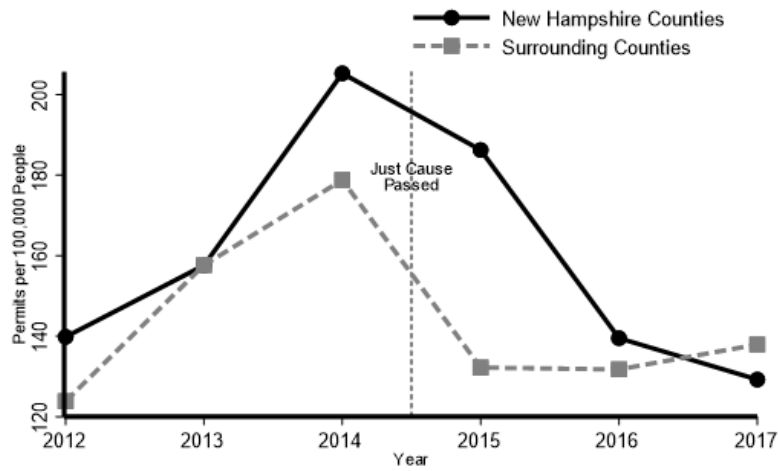


Figure 2: Rate of Construction before & after Good Cause Law Passed in New Hampshire



Figure 3: Rate of Evictions before & after Good Cause Law Passed in California Cities (Cuellar 2019)

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