

Testimony in Support of HB7049

An Act Relating to Property – Residential Landlord and Tenant Act

House Committee on Judiciary

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The Economic Progress Institute strongly supports Representative Potters' HB7049, which would limit rent increases to no more than 4% annually and provide tenants with a civil action to recover damages for any violations.

Rhode Islanders value family, safety, and fairness. However, our state and local policies do not always reflect those values. While most people's salaries only increase by 1% or 2% a year on average – a study has found that, last year, the average rent in Providence increased by 7.5% - the highest jump in rent prices of any city in the country. Our homes and neighborhoods set the stage for our lives. Housing instability affects almost every facet of our lives - including health, educational outcomes, economic mobility, and lifespan. Research shows that when people have access to affordable, stable, and high-quality housing, their quality of life improves – as does the condition of their communities.

According to the Providence Journal, the average rent in Providence in 2023 was over \$2000. This large rent increase, happened at a time when most Rhode Islanders were already struggling to meet their basic needs. Every two years, EPI publishes a report called the RI Standard of Need. Our last report, from 2022 found that 61 percent of all single adults and 70 percent of single parents with two children do not earn enough to meet their basic needs. And these numbers are much worse for women and people of color. The same report found that In RI 75 percent of Latino adults without children struggle meet basic needs, as do 72 percent of Black Rhode Islanders, 60 percent of Asian/Pacific Islander residents.

Black, Latino, and Asian Rhode Islanders make up the majority of residents in Providence. This means that not only are Rhode Islanders of color struggling to meet their basic needs at higher rates, they are also disproportionately bearing the burden of the highest one-year rent increase in the country. Rent Stabilization is an equity issue; passing H7049 will improve equity for all Rhode Islanders, especially historically marginalized communities.

As Rhode Islanders continue to struggle, and Providence saw dramatic rent increases, we have also seen an alarming increase in homelessness. According to the US Department of Housing

and Urban Development, homelessness in RI has increased by 70% since 2019. That means the homeless population grew from 1000 to 1,800 people. This is not a coincidence.

According to a January 22, 2024 article in the Providence Journal, One landlord raised rent from \$875 to \$1,800 across several apartment buildings, forcing all but three families to move out. Another doubled a family's rent over the course of three years — at the same time that their child developed lead poisoning. Evictions are not only catastrophic events for families, they also affect entire neighborhoods. Evidence shows eviction can perpetuate cycles of crime, poverty, and disinvestment. Communities of color and low-income neighborhoods face the biggest risk of eviction, largely because they historically and intentionally have been excluded from amenity-rich neighborhoods, denied capital, and displaced by redevelopment projects. A recent study found that in Milwaukee, properties owned by landlords who engage in frequent eviction filings, had more instances of burglary, robbery, and other types of crime. Rent stabilization will not only help vulnerable families, it will also improve communities.

There has been some fear and opposition from landlords who argue that they should be able to raise rents to cover the cost of increased taxes and building maintenance. However, it does not seem that landlords are actually basing rental increases on these costs. There has been no evidence or data to suggest that last year Providence had the highest property tax increase in the country, nor the highest maintenance cost increase in the country that would justify landlords increasing rents at the rate they did. Furthermore, property tax increases in Rhode Island are already capped at 4% annually by law; why should homeowners be entitled to more protection than their renting counterparts?

Rhode Islanders need and deserve the safety, security, and stability of affordable housing. The Economic Progress Institute urges passage of H7049.