

Roberta DiMezza

From: S Andrews <shawntandrews27@gmail.com>
Sent: Sunday, March 24, 2024 9:33 PM
To: House Judiciary Committee
Subject: OPPOSED - H-7049 AN ACT RELATING TO PROPERTY -- RESIDENTIAL LANDLORD AND TENANT ACT {LC3804/1}

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Representative Robert E. Craven
Chairman, House Judiciary Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

Dear Chairman Craven,

I am writing to voice my resounding opposition to H7049, the proposed "Rent Stabilization Act," and to strongly urge you to reject this severely misguided legislation. Far from promoting housing affordability as intended, this rent control policy would critically distort market dynamics, disincentivize investment, and ultimately exacerbate Rhode Island's housing shortage crisis.

By artificially capping rents below market rates, it creates a supply-demand mismatch that renders rental operations unprofitable. Landlords will be unable to maintain properties, let alone build new ones, as they cannot recoup rising operating costs like taxes, insurance, and maintenance. This decline in housing quality and quantity is one of rent control's most pernicious unintended consequences.

The 4% annual rent cap is completely disconnected from economic reality. If operating expenses rise faster than this arbitrary limit, as they inevitably will, property owners will be forced to disinvest, defer maintenance, or explore options like condo conversions that shrink the rental supply. New construction will grind to a halt as developers look to build in states without such draconian regulations choking off returns.

As the document notes, rent control also misallocates scarce housing by discouraging resident turnover. With rents locked in at below-market rates, tenants have little incentive to move even when their circumstances change, denying those available units to others in need. This undermines the entire purpose of the legislation.

Perhaps most concerning is the potential for H 7049 to spawn a black market of unregulated, illegal rental agreements that expose tenants to exploitation while eroding accountability and transparency. We've seen this emerged in cities with strict rent control before.

The evidence is clear - rent control ultimately hinders more than helps in the quest for housing affordability. Rather than distorting the market, I urge you to instead explore proven alternative solutions like:

- Increasing development of affordable/market-rate housing through zoning reform incentives
- Providing direct housing subsidies/vouchers to low-income renters to access market housing
- Implementing smart tenant protections and quality standards that don't strangle the market

Rent stabilization is simply rent control by another name - a policy that has failed nationwide due to its litany of unintended consequences. Rhode Island's housing crisis demands an evidence-based, comprehensive approach that expands supply and options rather than regulating away our limited stock.

I strongly implore you to reject H 7049 and focus instead on proven policies that promote a healthy, efficient housing market that works for all Rhode Islanders. The future of our state's housing affordability is at stake. Please let me know if you would like to discuss this critical issue further.

Sincerely,

Shawn Andrews

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