



GHIAA

Greater Hartford
— Interfaith —
Action Alliance

GHIAA Testimony Guide – Spring 2023 **Rent Caps**

(updated 2/24/23)

Thank you for submitting testimony in support of [Senate Bill 4](#) which includes our call for Rent Caps. The Public Hearing will be held by the Housing Committee on Tuesday Feb 28, 2023, at 11:00 in room 1A.

The following pages will guide you through the issue and the testimony process. This packet includes:

- Issue fact sheet
- Step by step instructions
- Testimony template
- Additional resources

If you have questions about testifying on this issue, please contact Cori Mackey, at cmackey@cljct.org or 203-671-3948.

Housing Issue Campaign

Rent Cap & No-Cause Evictions



GHIAA's Action

GHIAA calls on the state legislature to pass SB 4; and cap rent increases except in the instance of owner-occupied 1-4 family homes. While GHIAA supports S.B. 4, we call for the following expansions to the rent cap portion of this bill:

- Cap the rent at 3%, instead of 4% plus inflation.
- Provide for rent caps in between tenants so landlords can't push out tenants to increase the rent.
- It should expand good cause eviction protections to cover all tenants so they have greater stability in their homes.

What We Know

1. Connecticut's average rent increase in the last 2 years is **20%**

2. Half of all Connecticut renters already pay over 30% of their gross monthly income on housing compared with just 30% of homeowners.

3. Skyrocketing rent is driving homelessness and increasing evictions. A \$100 increase in rent translates to a 9% increase in homelessness.

Hartford's homeless population jumped by 13% in 2022 after years of decline.

4. Rent caps have strengthened other communities. Predictable increases, like with mortgages, allows for neighborhood stability and fewer transitions.

5. Connecticut currently doesn't limit how much landlords can raise rent or let municipalities set rent caps. There is no complaint-based process to address the problem.

Resources

[1] Analysis using Apartment Lists rent data and CT Insider, using data from CoStar

[1] Natalie Braswell, CT State Comptroller, Comptroller Braswell Projects \$2.1B Surplus Following New Consensus Revenue Report [Press Release], May 2, 2022 bit.ly/3CAn0yL; Matthew Martinez & Mark Mather, U.S. Housing Cost Burden Declines Among Homeowners but Remains High Among Renters, Population Reference Bureau, 2022, bit.ly/3XcV8Zk; See also CT Data Collaborative; Partnership for Strong Communities, 2022, bit.ly/3GnLix0; National Low Income Housing Coalition, 2022, bit.ly/3GRl1st

[1] Ginny Monk, In CT, evictions are surging, and children of pay the price, Dec. 11, 2022, bit.ly/3IJQxd0; US GAO, Homelessness: Better HUD Oversight of Data Collection Could Improve Estimates of Homeless Population" 2020, bit.ly/3GqUJM5

[1] Edward G. Goetz, Anthony Damiano, Peter Brown, Patrick Alcorn, Jeff Matson, Minneapolis Rent Stabilization Study, University of Minnesota Center for Urban and Regional Affairs, 2021, bit.ly/3vQTEZ3

[1] Emma Ackerman, MarketWatch, Nov. 21, 2022, on.mktw.net/3IAZbuk; Daniel Figueroa, CT Insider, Jul. 3, 2022, bit.ly/3Xg3U95

Step by Step Testimony Instructions

Written Testimony

1. Compose your written testimony. You can begin with the template in this packet, then customize it with your personal story, faith perspective, and further details.
2. Submit your written testimony at the following website:
https://www.cga.ct.gov/aspx/CGATestimonySub/CGAtestimonysubmission.aspx?comm_code=hsg
Written testimony is most effective when submitted by the date of the hearing, but may be submitted up to 7 days after.

Housing Committee Written Testimony Submission

Note: To submit your testimony anonymously, use anonymous for the first and last name.

★First Name

★Last Name

Title

Organization or Agency (If Applicable)

★Hearing Date and Time

Select Hearing Date

Choose hearing date from drop-down menu

★Supports or Opposes

☒ Supports → Be sure to choose Supports here

☐ Opposes

☐ General Comments

★Bill Number(s) (Hold down CTRL key to select multiple bills.)

Choose bill number here (options will appear once you select the hearing date)

★How do I want to submit my testimony?

☐ Type In My Testimony → If you prefer to copy and paste, choose this option and a box will appear

☒ Upload A File I Select

Testimony File (Microsoft Word files are accepted; PDF files are preferred.)

Choose File

no file chosen

Click the icon to see how you can save documents as PDFs

If you prefer to upload a PDF or Word doc, use this button to choose your file

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< Back to Committee

Oral Testimony

1. This bill is going to require our voices. We strongly ask you to offer oral testimony, in person. GHIAA organizers will help you develop your testimony, will guide you through the process, and will be with you on the day of testimony. You do not need to be a content expert. You need to deliver a sense of deep urgency and crisis about this issue.
2. To provide testimony in person, you must register by 3pm the day before the hearing. You can register here ([click here](#))
3. If you are testifying orally, please also submit written testimony by the date of the hearing. Modify your oral remarks to be story-based, personal, and less detailed than the written testimony.
4. The speaker order for oral testimony will be randomly generated and will be posted on the [Housing Committee website](#) the evening before the hearing (click on the hearing date).
5. The public hearing will be held on **February 28, 2023 at 11:00 AM in Room 1A** of the LOB and via Zoom.

Testimony Template

Follow the format below as you compose your written testimony. You may choose from the talking points included or feel free to add your own.

Date

Written testimony submitted to the Connecticut General Assembly Housing Committee in support of SB 4, *An Act Concerning Connecticut's Present and Future Housing Needs*.

Dear Representative Luxenberg, Senator Moore, and members of the Housing Committee:

My name is **Your Full Name**. I am a resident of **Your Town** and a member of **[Your congregation]**. My congregation is a member of the Greater Hartford Interfaith Action Alliance (GHIAA), a broad-based organization of 49 faith institutions working together on this issue.

I am testifying in support of a rent cap and in support of SB 4, and, in particular, the portion on rent caps with amendments to better protect tenants.

- A rent cap of no more than 3%
- Coverage in between tenants, so landlords can't push out tenants to increase rent
- Expand good cause eviction protections so tenants have security in their homes and can't be evicted for no reason

State that you support this bill because it is the right and just thing to do, but it is also the smart thing to do for CT. So many of the people suffering massive rent increases are doing so at the hands of out of state investors and owners. Failing to address this crisis will not only hurt our residents, but it will weaken our state. [They expect moral and religious arguments from us – state those arguments – but let them know we understand the economics of this as well.]

If you are comfortable, share a personal story about how you, your loved ones, or your community have been impacted by rent increases, evictions, or housing instability.

Here are some ideas for what to talk about:

- Have you, your loved ones, or people in your community faced a large rent increase? How did it feel, and how did it impact you and your family? What would you do now if you or a loved one were facing a rent increase? Where would you go?
- How is the high cost of rent affecting you and your community? Where are you seeing the effects of housing instability in your community, workplace, neighborhood, city, or town?
- How would it feel for you and your community to know you were protected by a cap on rent increases? In what ways would your life be different?
- Has a landlord ever told you or a loved one to move out without a good reason? How did that feel? How did it affect you and your family?
- Have you or someone you know ever hesitated to enforce your own rights as a tenant for fear of your lease not being renewed or getting a rent increase?
- How did the experience of eviction (regardless of the cause) disrupt your life? What community connections did you lose as a result of being told to move or evicted?
- How would protection against no-fault eviction affect your life? What would you feel or be able to do that you can't now?

- What would it feel like to have housing stability for all? What would change for you or your community?

You can include some of the statistics and talking points from the following resources. It is also OK just to focus on your story! [Narrative Guide](#); [One-Pager on Rent Caps](#); [One-Pager on Good Cause Eviction Protection](#); [Rents vs. Wages](#); [Displacement, Eviction, and Homelessness](#); [Rent Caps Work!](#)

I strongly support a rent cap, but SB 4 would be stronger with the following changes:

- **The cap should be lower—I suggest 3%.** This tracks pre-pandemic average rent increases and would be affordable and predictable to tenants.
- **It should cover apartments in between tenants** so landlords can't push out tenants to increase the rent.
- **It should expand good cause eviction protections** to cover all tenants so they have greater stability in their homes.

Sincerely,

Your Full Name

Your Town

Rent Cap Facts

Fact:

Rent stabilization works.

This rent stabilization policy was developed with input from Connecticut residents and backed up by research on what has worked elsewhere. Research shows that rent stabilization policies are effective at increasing housing stability and affordability for current tenants and protecting low-wealth households from displacement.

Rent stabilization policies in some cities include loopholes such as vacancy decontrol and broad exemptions. These remove units from protection and allow rents to balloon, weakening the policy. In CT, this policy applies to all units and does not include vacancy decontrol. Expensive housing markets (like NY and San Francisco) are not caused by rent stabilization. Rather, they are created by factors like speculative investments by global financiers, privatization of public housing, and lack of housing production.

Fact:

Simply building more housing is not enough.

The market doesn't create housing that is affordable to all CT residents. This "trickle-down housing" theory relies on the idea that new expensive housing will age and deteriorate until it is affordable to poor people. That's inhumane housing policy. Even an influx of tens of thousands of new housing units would take decades to "trickle down" to low-wealth, BIPOC renters. We need to build more housing that is affordable now, and even that will take years.

If we continue building affordable housing without ensuring that people can stay long-term, Connecticut will always be chasing a moving goalpost. Rent caps provide immediate relief to renters and ensure that the housing we build today remains affordable tomorrow.

Fact:

An annual increase of 2.5% is more than enough to cover the cost of business.

Average rent increases in CT in the years prior to the pandemic were around 2.5% a year. In 2021-2022 rents increased an average of 20% — far more than inflation or rising costs associated with managing housing. During the same period, corporate landlords' profits mushroomed. This policy is designed to protect CT renters from predatory rent-gouging which disproportionately targets and displaces Black, Indigenous, and immigrant community members.

Example: An apartment building with 20 units has rents set at \$1,500 per month. With a 2.5% annual increase, rents would grow \$37.50 per unit per month, resulting in increased annual rental income of \$9000 for the building.

In the few cases when 2.5% may not be enough to cover unexpected costs, this law also allows for a process to request exceptions based on reasonable return on investment. Landlords will use a standardized form, provide documentation for a possible exemption.

Rent Cap Facts

Fact:

Property tax increases are not directly tied to rent increases.

Property tax is a proportion of the total cost of operating housing. The mortgage is the largest part and that stays consistent. If property taxes go up 10%, that doesn't mean rent has to go up 10% — it just means that the proportion of the total cost related to property taxes increases.

For example, let's say monthly rent is \$1,500 and 15% of that (\$225) of that goes to property taxes. If property taxes increase 10% (from \$225 to \$247.50) — that means rent increases by \$22.50, which is only a 1.5% increase in rent from \$1,500.

Fact:

Rent caps won't have ANY impact on responsible landlords and will help to protect local, mom-and-pop housing providers.

Many rental homes are operated by neighbors who take pride in their properties and care for tenants. This policy targets predatory and corporate landlords who impose egregious and extractive rent increases. The reality is that most mom-and-pop housing providers already do right by their renters, and this policy wouldn't change that.

Corporate landlords and investment firms are entering our housing market like never before. These outside interests outbid local property owners and extract wealth from our neighborhoods through excessive rent increases, allowing them to buy up more of housing stock. It's a vicious cycle that started during the foreclosure crisis and is continuing during the pandemic housing crisis. Rent caps disincentivize this growing problem by prohibiting the profiteering at the expense of our neighbors — both property owners and renters.

Fact:

Rent stabilization does not slow down development.

Rent stabilization does not impact the rents set for units in new developments — it only requires that annual increases once those units are built are reasonable so that people can adapt with rising housing costs. Many factors influence the development of new housing: overall market conditions, investor risk assessment, construction and labor costs, local zoning regulations, etc. These factors have a much stronger influence over new housing supply than rent caps. In fact, a bank would be unlikely to lend a developer who needs to increase rent 10% per year because that would be high risk for the lender.

Fact:

Being able to live in the same home for many years is a benefit to the whole community.

When rents are stable and predictable, families are able to budget and plan for their future, children can attend the same school, and people can get invest in their community.

Homeowners already have the stability of a steady mortgage payment with modest adjustments to property taxes. Mortgage interest deductions give homeowners additional government support. While some may choose or have to be renters for life, rent stabilization also helps others become homeowners in the future.

Rent Cap Facts

Fact:

Rent stabilization will benefit ALL of us — but it will particularly address racial disparities.

Rent stabilization applies to renters of all incomes. However, because renters are disproportionately lower-wealth and BIPOC, the benefits are disproportionately experienced by these households.

Research has shown that the renters who experience rent increases higher than 2.5% are far more likely to be Black, Indigenous, and people of color households. The policy will also protect more affluent, white tenants from rent gouging, but that's not a bad thing. Everyone deserves a stable home, no exceptions.

Fact:

Properties will stay in good shape with rent stabilization.

Whether individuals rent or own, everyone wants to live in a place that makes us feel good when we open our front door. Most Connecticut residents do a lot of the essential work it takes to make sure homes are safe and healthy — and they don't get financial bonuses when they do so. The landlord lobby would like to trick lawmakers into thinking they need unlimited profits in order to do the basic care and maintenance jobs that rent is supposed to pay for. Maintaining their properties and keeping apartments safe and healthy is a landlord's essential job, not an opportunity to exploit tenants for profit.

Lack of property maintenance is bad for everyone, which is why it's required by law. Property owners have a legal responsibility to provide safe and decent housing, and Connecticut cities and towns enforce the law when property owners fail to fulfill their responsibility.

Fact:

Rents will stay stable between policy passage and implementation.

Landlords often react to conversations about rent caps by threatening to increase rents drastically before the policy is implemented. This rent cap law is designed to prevent this from happening by creating a lookback period that starts now, with a grace period for landlords. Threats to raise rents is another reason why we need policies like this to protect tenants from retaliatory behavior.

Here are some resources we've found helpful in learning more (Compiled by Cap the Rent):

- From Dr. Ed Goetz and others, [Minneapolis Rent Stabilization Study | CURA \(umn.edu\)](#) This gives an overview of the different policy choices a jurisdiction can make in designing a rent stabilization system, gives an overview of the research, has case studies about a few jurisdictions, and does some modelling for Minneapolis
- Attached memo debunking myths about rent stabilization (mostly the perception that it has unintended consequences) with citations and summaries of many studies. This is a very helpful resource in addition to the study above to get oriented and learn more.
- Here are some shorter pieces from two economists who support rent stabilization, an op-ed in the LA Times from Dr. Gary Painter [No, rent control doesn't always reduce the supply of housing - Los Angeles Times \(latimes.com\)](#) and testimony given to Jersey City from Dr. J.W. Mason [Considerations on Rent Control – J. W. Mason \(jwmason.org\)](#)
- And if you're dying to learn more, here's even more reading!
 - PolicyLink: [“Our Homes, Our Future: How Rent Control Can Build Stable, Healthy Communities”](#)
 - Haas Institute: [“Opening the Door for Rent Control”](#)
 - University of Southern California, Dornsife: [“Rent Matters: What are the Impacts of Rent Stabilization Measures?”](#)
 - Urban Habitat: [“Strengthening Communities Through Rent Control and Just-Cause Evictions”](#)
 - New York University Furman: [“Gentrification Response: A Survey of Strategies to Maintain Neighborhood Economic Diversity”](#)
 - Urban Displacement Project: [“Rent Control Policy Brief”](#)
 - Journal of the American Planning Association: [“Who Benefits from Rent Control?”](#) ([Full version here](#))
 - University of Winnipeg: [“An Analysis of Manitoba’s Rent Regulation Program and the Impact on the Rental Housing Market”](#)
 - Harvard Law Review: [“Reassessing Rent Control: Its Economic Impact in a Gentrifying Housing Market”](#) ([Full version here](#))
 - University of Southern California, Price in Los Angeles Times: [“No, rent control doesn’t always reduce the supply of housing”](#)
 - Journal of Economic Perspectives: [“Time for Revisionism on Rent Control?”](#)