



WA 16: Rent Stabilization and Tenant Eviction Protections

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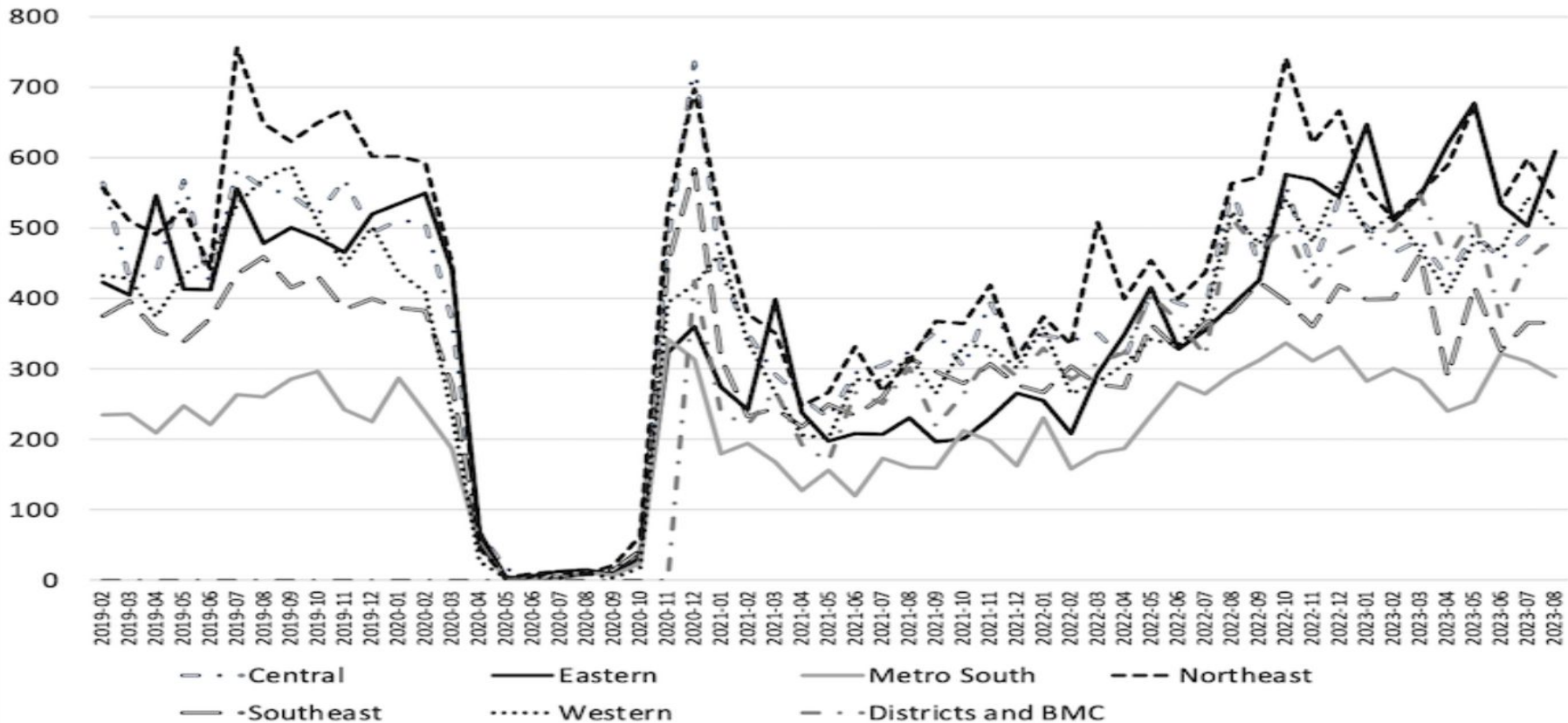
Why does Brookline need rent stabilization?

- Housing market conditions are driving increasing costs and have resulted in elevated housing prices
 - Brookline median monthly rental rate in 2020 was \$2,452, more than twice the national median rate and more expensive than Cambridge, Somerville, Newton, & Boston
 - 2023 analyses found a median monthly rental rate of \$3,900 and an average rate of \$2,775
- A large portion of residents are burdened by housing costs and face displacement pressure
 - Over 45% of renters are classified as housing burdened; 23% of renters are classified as severely burdened
- Disparate impact falls on seniors, BIPOC residents, and low-income households

Brookline/regional housing affordability crisis

- Elevated inflation contributing to rising rental costs in Brookline
 - Average rents rose 12% in the last two years, nearly double the annualized rate of increase from 2010 - 2020
- Evidence of increasing instability in Brookline and disparate impacts of inequality
 - Senior poverty has increased even as overall poverty rate has declined
 - Black and Indigenous population of Brookline declined over last decade, due to displacement
 - 50 current PSB students are homeless
 - MIT living wage estimate for Norfolk County increased from \$65,478 in 2015 to \$114,546 in 2020; median Brookline household income is \$122,356
- Eviction filings in Eastern Massachusetts have more than tripled in the last two years and now exceed the pre-pandemic trend
 - Eastern Massachusetts is now the region with greatest number of eviction filings

Actual Summary Process Filings
 (District and Boston Municipal not tracked prior to end of state moratorium)



Source: Mass Landlords Association review of dockets/court filings

“Low, moderate, and even middle income families can no longer afford to live in Brookline”

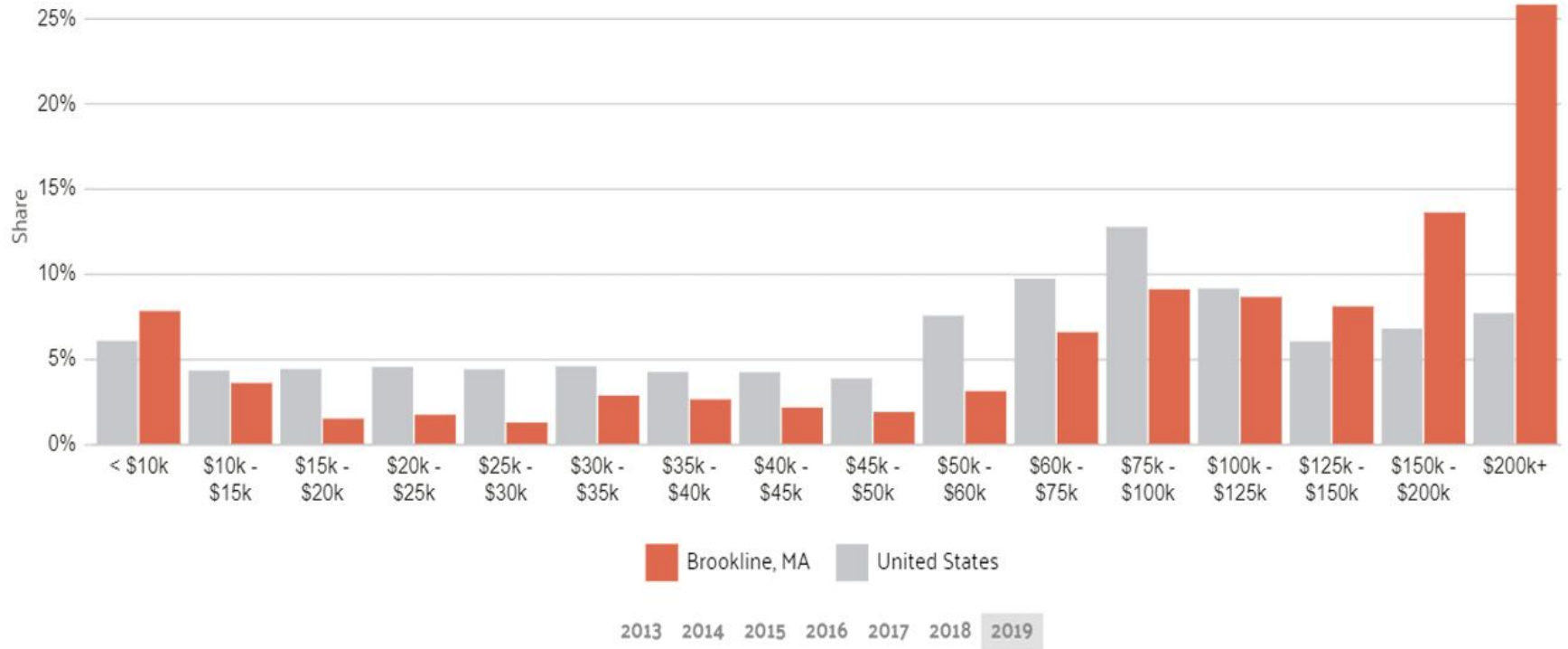


Figure 18. 2019 Income in Brookline vs. average in the US

Source: Brookline Disparity Report, 2022



How does WA 16 improve housing stability?

- Caps annual rent increases for eligible units to 3% + the rate of inflation measured by CPI for the Greater Boston region, to a maximum of 7% annually
 - Petitioners estimate between 9,500 - 11,000 eligible rental units, representing 73% - 85% of rental units
 - Creates more equity between homeowners and renters by making future housing costs more predictable and stable
- Puts in place tenant protections to end no cause evictions in Brookline
 - Still allows evictions for cause as established under state law
- Allows Brookline to implement notification requirements and relocation plans for conversions and demolitions/substantial renovations



What does the evidence tell us about rent control?

- Evidence of impacts on local housing markets is mixed
 - Major studies have found varying impacts on property values of non-covered units, rates of housing development, and on housing maintenance/quality over time
 - A 40-year study in NJ found no statistically significant housing market impacts when other market factors were controlled for
- Review of scholarly work suggests that the specifics of any rent control regime matter
- Strong evidence across studies shows that regulation of rent increases preserves affordability in covered units and reduces displacement pressures on residents in covered units



WA 16 controls for potential adverse effects

- *Won't capping rent increase disincentivize new housing development?*
 - WA 16 exempts newly constructed units for 15 years after initial construction, conversion, or renovation and also includes a 3% profit factor for landlords adjusted for typical rates of inflation
- *If landlords cannot recoup maintenance costs through rent increases, won't housing conditions deteriorate?*
 - WA 16 allows for fair return standards to compensate landlords for maintenance and capital costs and in the event of rapid property tax increases
- *Will rent regulation have negative impacts on property values in surrounding neighborhoods?*
 - Allowing rental rates to be reset following an end of a tenancy should mitigate potential long-term effects on aggregate property values



WA 16 Implementation

- The Town would be authorized to designate or create an administrator or board to implement
- Previous local rent control bylaw implemented by Brookline Rent Control Board
 - 2 tenant reps, 2 landlord reps, 3 reps of public interest
- Good cause eviction protections would be implemented by Housing Courts
 - Similar protections were enacted and enforced by Courts during pandemic, including local protections (e.g. Malden local eviction moratorium)
 - Rent control board would be empowered to prosecute violations and defend summary actions in Court



WA 16 Implementation: Historical Model 1970 - 1994

- Article XXX passed in 1970, established Rent Control Board and initial program
 - Included exemptions for boarding houses, hospitals and university housing, government owned/operated units, 2-3 unit owner-occupied houses, and rental units constructed after Jan 1, 1969
 - Required covered units to submit filing, including maximum rental rate, to RCB and confirm tenant notification
 - Maximum rental rates frozen at March 1970 levels; future adjustments to controlled unit rates made by RCB
 - RCB authorized to increase and decrease rates to guarantee owner “a fair net operating income”
- RCB empowered to seek civil and criminal penalties for violations



WA 16 Implementation: Historical Model 1970 - 1994

- RCB allowed to lift maximum rent provisions on any class of units if crisis of affordability deemed resolved due to adequate new construction of sufficient supply of established market rate units
- Incorporation of Administrative Procedures Act
 - Clarified that Chapter 30A of MGLs applied to RCB as if it was a Commonwealth agency; delegated authority to issue, vacate, modify, and enforce subpoenas and certain judicial review powers
- Establishes same good-cause eviction protections as WA 16
 - Requires landlords seeking an eviction to apply for a certificate of eviction, subject to RCB review of evidence



WA 16 Implementation: Historical Model 1970 - 1994

- Article XXX replaced in 1975 with adoption of Articles XXXVIII; later reforms came in 1988 and 1990
 - 1975 - RCB authorized to charge unit registration fees, with restrictions on how much could be passed through to tenants; changed fair net operating income factors to include maintenance, deterioration, capital improvements
 - 1988 - Condo conversion controls on non-controlled units, including notification and relocation requirements
 - 1990 - Created new decontrol mechanisms for certain classes of buildings; RCB implemented Article XXXIX that allowed decontrol through inclusionary housing agreements, linkage payments, or limited cooperative conversions
 - Required RCB to compile and publish a list annually of all controlled units

Program snapshot: Rent Control in Brookline 1989 - 1991

	<u>FY 1989</u>	<u>FY 1990*</u>	<u>FY 1991</u>
Program cost	\$469,030	\$467,612	\$523,030
Program revenue	\$400,000	\$802,000	\$494,028
Net operating cost	\$69,030	(\$334,388)	\$29,002
FTEs	16	16.5	15.5
Cases heard	375	375	342
Lawsuits filed	55	60	66**

*1990 values represent program budget requests/projections

** Estimated based on total court filing statistics

Note: FTE requirements likely more intensive during this period than today due to new technological adoption, new bylaw requirements such as decontrol and annual publication, and the need for a sizable clerical staff



Why a home rule petition instead of a resolution?

- This is a policy that has worked in Brookline and the region; we should ask for what we want
- A resolution has no possibility of becoming law and may not register at all on Beacon Hill
- Regional interest is growing for legislative action and Brookline should play a leadership role as a key community in Greater Boston
 - Boston passed a similar HRP in March, Somerville in process of drafting HRP, Cambridge City Council endorsed Tenant Protection Act
- This strategy has worked for Brookline in the past



Case Study: Fossil Fuel Free Zoning Regulation

- Between 2019-2021, Town Meeting passed an FFF bylaw, an FFF zoning bylaw, and a home rule petition
- Both bylaws were rejected during Attorney General review; FFF HRP was not acted on by General Court
- After over a dozen other communities followed Brookline's lead and passed FFF HRP, the legislature took action and mandated the creation of an FFF Demonstration Program directly based on Brookline's rejected FFF bylaw



Urgent action is needed to address the housing crisis

- Rent stabilization is not a silver bullet, but it will provide immediate and lasting relief for renters
- Reducing displacement and evictions will create a healthier, more resilient, better connected, and more diverse Brookline
- Regulations that stabilize housing costs for renters and provide greater ability to forecast and budget for future costs will introduce greater equity into our housing market
- This is what residents want; 68% of likely voters statewide support Mayor Wu's rent stabilization proposal and 65% support rent control ballot initiative

Please vote favorable
action on WA 16