

RHODE ISLAND COALITION OF HOUSING PROVIDERS

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March 25, 2024

To Honorable Representative Robert E. Craven, Sr. Chair, House Judiciary Committee Rhode Island State House Providence, RI 02903 VIA Email: <u>HouseJudiciary@rilegislature.gov</u>

RE: Letter in OPPOSITION to House Bill No. H7960

Dear Members of House Judiciary Committee,

I am writing to express my strong opposition to H7960 advocating for just cause eviction laws and rent control measures. This bill not only seeks to eliminate a property owner or operator's right to serve a nonrenewal notice on a resident at the end of the lease term, essentially granting residents an indefinite lease but it also implements rent control with a 4% max annual increase. Economists agree that rent control does not work. Academic studies have shown that rent control decreases housing investment and spending on upkeep.

While I understand the concerns about long-term residents being unfairly displaced, I believe that this approach is not the right solution and will have negative consequences for both property owners and residents.

Proponents of just cause eviction argue that it protects long-term residents from unscrupulous owners. However, just cause eviction restrictions severely limit property owners' ability to respond quickly to resident concerns and remove disruptive or threatening residents. These policies can destabilize rental communities, conflict with state problem property laws, and disincentivize investment in rental housing. Under a just cause eviction regime, housing providers can only evict residents for reasons explicitly listed under the law. While these protections may seem reasonable, in practice, they prevent property owners from effectively managing their properties. Under this bill landlords can no longer decide to not renew a lease, instead it requires owners to "show cause" and obtain a court order to terminate a lease, which can be challenging, particularly in cases involving criminal activities.

Over time, just cause eviction policies strain the owner-resident relationship, inhibit housing providers from effectively managing their properties, and put good residents at risk by limiting the ability of housing providers to remove problem residents. Additionally, high turnover costs mean eviction is used only after all other remedies are exhausted.

As a member of the community, I believe that just cause eviction laws adversely shift the balance in the landlord and tenant relationship to the detriment of residents and the community as a whole. These policies put good residents at risk and can lead to disinvestment in rental housing, ultimately increasing rents for the community overall.

In conclusion, I urge you to consider the long-term impacts of overregulation and the unintended consequences of just cause eviction laws and rent control. I believe that there are more effective ways to protect long-term residents without imposing burdensome mandates on property owners. Thank you for considering my perspective on this important issue.

Thank you,

Rhode Island Coalition of Housing Providers