

FEDERAL ACTIONS TO REGULATE RENTS

RENT INFLATION: A NATIONAL EMERGENCY

Rent inflation is a national emergency, and any strategy to curb inflation must include a sharp focus on regulating rents. Housing costs are American households' biggest monthly expense, and rents have become a major driver of core inflation. June 2022 saw the biggest one-month increase in rents since 1986.¹ Nationally, median rent is over \$2000 for the first time ever.² Rent inflation is not just an urban problem, it is impacting tenants in suburban and rural communities as well. In 2022, there is not a single state, metro area or county where a minimum-wage worker can afford a two-bedroom apartment.³ Most indicators suggest that rents will continue to rise for the foreseeable future.

Rents have outpaced inflation, suggesting that landlords are price gouging in the midst of this crisis. Rents rose over 14% year over year in June,

much higher than the overall inflation rate of 9.1%. Before the pandemic, rents increased by 2% to 3% annually. Private equity investors and major corporate landlords have driven up prices, using inflation as an excuse, and maximized profits.⁴ Landlords charge rents, not based on the quality or condition of the home, but on whatever the market will allow. In the absence of federal rent regulation, this is a story of unchecked corporate greed.

The President must act immediately to regulate rents, as part of the Administration's efforts to curb inflation, and as a critical foundation for long term protections to correct the imbalance of power between tenants and their landlords.

The undersigned organizations call on the President to take the actions described below.

¹ Bureau of Labor Statistics, Consumer Price Index (July 13, 2022), <https://www.bls.gov/news.release/pdf/cpi.pdf>

² Redfin, Rental Market Tracker (May 2022), <https://www.redfin.com/news/redfin-rental-report-may-2022/>

³ National Low Income Housing Coalition, Out of Reach (2022), <https://nlihc.org/or>

⁴ Groundwork Collaborative, Toll Brothers (May 2022), <https://endcorporateprofiteering.org/toll-brothers/>; Groundwork Collaborative, Starwood Property Trust (May 2022), <https://endcorporateprofiteering.org/starwood-property-trust/>; Sofia Lopez, Action Center on Race and the Economy

EXECUTIVE ACTION

PRESIDENT BIDEN MUST DECLARE A STATE OF EMERGENCY ON HOUSING AND ISSUE AN EXECUTIVE ORDER TO:

- Require federal agencies to identify avenues for protecting tenants in federally-assisted housing and in the private rental market against unreasonable rent hikes, wrongful and unjustified evictions, denial of a lease renewal, and retaliation for organizing.
- Convene a cabinet-level interagency task force charged with identifying avenues for longer-term, cross-agency collaboration to regulate rents and secure other tenants' rights, including adequate legal representation in eviction proceedings, enforceable affordability and quality housing standards, and freedom from discrimination.
- Provide a formal avenue for federal agencies to consult with tenant stakeholders, including tenants themselves, as part of a White House Tenant Council, launching with a White House summit on rent inflation and tenant protections this fall.

AGENCY ACTIONS

THE PRESIDENT MUST APPLY THE WHOLE-OF-GOVERNMENT APPROACH TO THE PRESSING ISSUE OF RENT INFLATION TO DIRECT AGENCY-LEVEL ACTIONS INCLUDING:

- **Federal Housing Finance Agency:** Direct Fannie Mae and Freddie Mac to impose rent regulations on all borrowers of federally-backed mortgages.
- **Federal Trade Commission:** Issue regulation defining excessive rent increases as an unfair practice in or affecting commerce, in violation of the Federal Trade Commission Act (FTC Act); take enforcement action against such unfair practices, including both by filing lawsuits and initiating administrative proceedings against landlords that impose excessive rent increases
- **Department of Housing and Urban Development:** Issue guidance advising entitlement jurisdictions that, as part of their duty to affirmatively further fair housing, they must identify the disproportionate cost burden among protected classes, investigate rapidly rising rents as contributing to those disparities, and adopt rent controls as a remedial step.
- **Securities Exchange Commission:** Impose disclosure requirements on publicly-traded companies that own and manage rental residential properties to obtain information about rent increases; investigate whether companies that own or manage rental residential properties (whether publicly-traded or not) are engaging in “manipulative and deceptive practices” in connection with rent-backed securities.
- **The Department of the Treasury:** Issue new regulations for Emergency Rental Assistance Program (ERAP) funds that have not yet been paid or obligated that direct state and local grantees to prohibit landlords from increasing rent beyond a set percentage as a condition of receiving ERAP dollars; for the Low-Income Housing Tax Credit, issue guidance to define good cause, including specification that good cause is required for lease nonrenewal.
- **The Consumer Financial Protection Bureau:** Investigate corporate landlords using unfair tenant screening and debt collection practices to discriminate against tenants and/or to collect pandemic rental arrears.

HOMES GUARANTEE CAMPAIGN

Everyone living in the United States should have safe, accessible, sustainable, and permanently affordable housing: a Homes Guarantee. Today, federal housing policy is designed in a way that prioritizes the industry that profits from providing housing, rather than the people who need homes. The current rent inflation crisis is laying bare the violence of this system, as millions are enduring intense housing insecurity during a public health and economic emergency.

The Homes Guarantee is a campaign born from the vision of grassroots leaders housed at People's Action. The Homes Guarantee is a long term agenda for the full transformation of housing from commodity to guaranteed public good. In 2019, we launched a brief on the agenda, shaped presidential platforms, recruited 200+ down ballot Homes Guarantee candidates, and introduced a set of federal bills aligned with the Homes Guarantee. In 2020, during COVID, we introduced and organized around the Rent and Mortgage Cancellation Act.

Now, our campaign is leading organizing efforts towards a Tenants Bill of Rights nationally,

including spending six months last year engaging over 100,000 tenants in conversation about what needs to be included in such a policy. We organize with over 50 tenant groups from across the country, representing rural and urban communities, and representing tenants in public housing, privately-owned complexes, mobile home parks, and more. Currently, a team of 75 directly impacted tenant leaders representing over 25 organizations are building our federal campaign, with a focus on executive and agency actions to regulate rents and address the rent inflation crisis.

The Biden Administration has an opportunity to channel the lessons of the past two years, the growing political and public clarity about the need for transformative change, and the vision of a renewed tenant movement into long-lasting change to correct the imbalance of power between tenants and landlords, and to initiate a transition towards housing policy that puts people before profit. The Biden Administration, following the leadership of people who have been impacted by decades of failed or lacking housing policy, must take swift action to regulate rents and enshrine federal protections for tenants.

HOMES GUARANTEE POLICY PARTNERS

Action Center on Race and the Economy
Center for Economic and Policy Research
Human Impact Partners
Lawyers Committee for Civil Rights Under Law
Liberation in a Generation
National Housing Law Project
PolicyLink
Poverty & Race Research Action Council
Revolving Door Project
Socio-Spatial Climate Collaborative (UPenn)

NATIONAL ORGANIZATIONS

Center for Biological Diversity
Community Change Action
HouseUS
Housing Rights Initiative
Jobs With Justice
Local Progress
National Equality Action Team (NEAT)
ParentsTogether Action
People's Action
Save Section 9

Showing Up For Racial Justice National
Social Security Works
Sunrise Movement
Unemployed Workers United
Youth Alliance for Housing

LOCAL ORGANIZATIONS

ACT UP Philadelphia (PA)
Action North Carolina (NC)
Action ST. Louis (MO)
ACW (CA)
Affordable Housing Network of Santa Clara County (CA)
AFT CHICAGO Black Caucus (IL)
Alliance for Community Transit - Los Angeles (CA)
Appalachian GameChangers (KY)
Arkansas Community Organizations/Arkansas Renters United (AR)
Asian Pacific Environmental Network (CA)
Be:Seattle (WA)
Bedford County Listening Project (TN)
Bull City Tenants Unite (NC)
CA Renters Caucus (CA)
CAAAY: Organizing Asian Communities (NY)
CASA (Community Action for Safe Apartments) (NY)
Chainbreaker Collective (NM)
Change Today, Change Tomorrow (KY)
Charles House (SC)
Chicagoland Black Chamber of Commerce Inc (IL)
Chispa (CA)
Churches United For Fair Housing | CUFFH (NY)
Citizen Action of New York (NY)
City-Wide Tenant Union of Rochester (NY)
Clergy & Laity United for Economic Justice (CA)
Coalition for the Homeless (KY)
Communities Resist (NY)
Communities United For Action (OH)
Community Alliance of Tenants (OR)
Community Justice Project (FL)
Community Legal Services of Philadelphia (PA)
Community Voices Heard (NY)
Cooper Square Committee (NY)
Crenshaw Subway Coalition (CA)
CUFFH Action (NY)
Culinary Union (NV)
DARE (Direct Action for Rights and Equality) (RI)
Detroit Action (MI)
DSA LA (CA)
EKY Mutual Aid (KY)
Faith in Action (NV)
Faith in the Valley (CA)
Florida Housing Justice Alliance (FL)
Florida Rising (FL)
Granite State Organizing Project (NH)
Ground Game LA (CA)
HerStory Ensemble LLC (DE)
Hometown Action (AL)
Hoosier Action (IN)
Housing Conservation Coordinators (NY)
Housing Equality & Advocacy Resource Team (CA)
Housing Justice for All (NY)
Housing Rights Committee of San Francisco (CA)
HousingLOUISIANA (LA)
Illinois Coalition of African American Business Business Organizations (IL)
InnerCity Struggle (CA)
Inquilinx Unidxs por Justicia (MN)
Ithaca DSA (NY)
Ithaca Tenants Union (NY)
JANE ADDAMS Senior Caucus (IL)
JC Hodge Associates (IL)
JustFix (NY)
KBComms (PA)
KC Tenants (MO)
Kentucky Equal Justice Center (KY)
KY Tenants (KY)
Latino Health Access (CA)
Latinos United for a New America / LUNA (CA)
Legal Services Staff Association (NY)
Living United for Change in Arizona (AZ)
Local Clean Energy Alliance (CA)
Louisiana Fair Housing Action Center (LA)
Louisville Tenants' Union (KY)
Louisville SURJ (KY)
Louisville Metro Council (KY)
Maine People's Alliance (ME)
Make the Road Nevada (NV)
Make the Road (PA)
Maryland Communities United (MD)
Masks for Victory S. Illinois (IL)
Miami Workers Center (FL)
Michigan United (MI)
MinKwon Center for Community Action (NY)
Neighbor 2 Neighbor (MA)
Neighbors Together (NY)
Network Delaware (DE)
New Jersey Citizen Action (NY)
New York Doctors Coalition (NY)
Nobody Leaves Mid-Hudson (NY)
Northtown Resident Council (IL)
Not Me We (IL)
NWBCCC (NY)
ONE Northside (IL)
One Pennsylvania (PA)
One Redwood City (CA)
Organized Communities Against Deportations (IL)
Partnership for the Public Good (NY)
Pasadena Tenants Union (CA)
People Organizing for Westside Renewal (CA)
PICO California (CA)
PLAN Nevada (NV)
Public Advocates (CA)
Puente Human Rights Movement (AZ)
PUSH Buffalo (NY)
Raise-Op Housing Cooperative (ME)
Reclaim Philadelphia (PA)
Reclaim Rhode Island (RI)
Rent and Mortgage Relief SLO County (CA)
Rent Zero Kansas (KS)
Right to Counsel NYC Coalition (NY)
Rights and Democracy New Hampshire (NH)
Rights and Democracy VT (VT)
Rise Up WV (WV)
River Valley Organizing (OH)
Root Cause Research Center (KY)
Rowan County Listening Project (KY)
S.T.R.O.N.G Youth, Inc. (NY)
San Francisco Anti-Displacement Coalition (CA)
San Gabriel Valley Tenants Alliance (CA)
Siembra NC (NC)
Silicon Valley De-Bug (CA)
Silicon Valley DSA (CA)
Sonoma Valley Housing Group (CA)
South Carolina Housing Justice Network (SC)
South Carolina Progressive Network (SC)
South of Market Community Action Network (CA)
Strategic Actions for a Just Economy (SAJE) (CA)
Summers County Huddle (WV)
Tenants Political Action Committee (NY)
Tenants Union of WA (WA)
Texas Organizing Project (TX)
The Kennedy Commission (CA)
The Women's Building (CA)
Tn4SafeHomes (TN)
Tyler For Knox (TN)
Unified Citizens, Inc. (SC)
United Council For Change (NC)
United for a New Economy (CO)
United Tenants of Albany (NY)
United Vision for Idaho (ID)
Unity Fellowship of Christ Church-NYC (NY)
Urban Justice Center (NY)
VOCAL-KY (KY)
VOCAL-NY (NY)
Westside Health Authority (IL)
Winners PLUS Inc and The Voice 4 The People (NC)