



Rent Control and Protections:
Finding a path forward

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Rent control debate is polarized

Many vulnerable populations continue to experience steep rent increases....

...but “strict” forms of rent control could lead to unintended consequences

- *“Significant reductions in construction of new housing”.....“Reductions in revenue from taxes on property values, rental income, & capital gains are very likely and potentially significant”*
- Legislative Analyst’s Office, December 2017

Is there a better path forward?

Finding a path forward

**How can we craft thoughtful
policy solutions that:**

- 1. Extend greater and meaningful price control protections to tenants*
- 2. Without reducing supply/raising costs of existing housing or suppressing construction of new housing*

Finding a path forward

Turner Center brief proposed compromise policies to expand protections and encourage more affordable housing

- *Adopt a statewide “Anti Gouging” cap*
- *Encourage affordable housing through incentives*
- *Expand rent control eligibility*

“Anti Gouging” Cap

Enact a cap on rent increases; an increase above a set amount would be subject to legal actions

- *Limits the size of a rent increase over the previous year*
 - *Apply to all rental units, regardless of type or year built*
- *Modeled after current disaster-related “anti-gouging” laws*

Annual Changes in the Consumer Price Index in California

	% Change in CPI from Prior Year				CPI + 5%			
	State of California	San Francisco Region	Los Angeles Region	San Diego Region	State of California	San Francisco Region	Los Angeles Region	San Diego Region
2017	2.9%	3.2%	2.8%	3.0%	7.9%	8.2%	7.8%	8.0%
2016	2.3%	3.0%	1.9%	2.0%	7.3%	8.0%	6.9%	7.0%
2015	1.5%	2.6%	0.9%	1.6%	6.5%	7.6%	5.9%	6.6%
2014	1.8%	2.8%	1.3%	1.9%	6.8%	7.8%	6.3%	6.9%
2013	1.5%	2.2%	1.1%	1.3%	6.5%	7.2%	6.1%	6.3%
2012	2.2%	2.7%	2.0%	1.6%	7.2%	7.7%	7.0%	6.6%
2011	2.6%	2.6%	2.7%	3.0%	7.6%	7.6%	7.7%	8.0%
2010	1.3%	1.4%	1.2%	1.3%	6.3%	6.4%	6.2%	6.3%
2009	-0.3%	0.7%	-0.8%	0.0%	4.7%	5.7%	4.2%	5.0%
2008	3.4%	3.1%	3.5%	3.9%	8.4%	8.1%	8.5%	8.9%
2007	3.3%	3.3%	3.3%	2.3%	8.3%	8.3%	8.3%	7.3%
2006	3.9%	3.2%	4.3%	3.4%	8.9%	8.2%	9.3%	8.4%

Source: Turner Center analysis of Bureau of Labor Statistics Data on All Urban Consumers

Increasing affordable supply through tax incentives

Adopt a tax incentive policy to encourage creation of Below Market Rate units (e.g., similar to Washington state)

- *In exchange for providing a certain percentage of units at BMR, developers could apply for an ad valorem tax abatement for a specified number of years*
- *Policy in Seattle has led to over 7,600 BMR units since 2008*

Increased protections gaining traction

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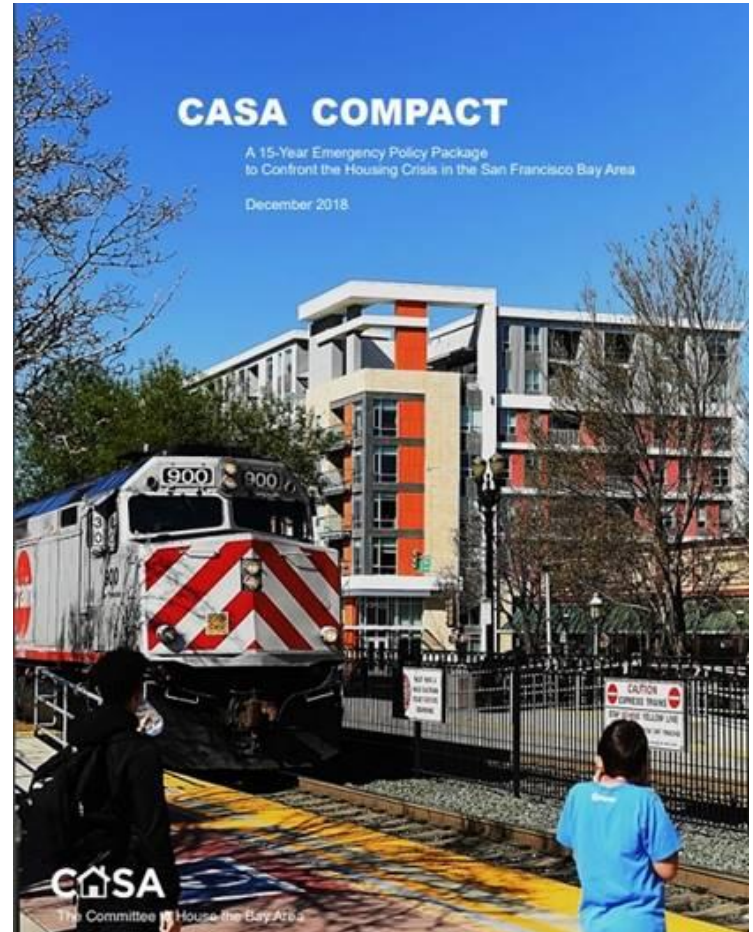
Oregon Looks Increasingly Ready to Pass Statewide Limits on Rent Increases

Top lawmakers and Gov. Kate Brown are haggling over how fast rent should increase.



By Rachel Monahan | Published January 2 • Updated January 2

No U.S. state currently places statewide limits on how much landlords can increase rent.



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Thank you!