

Mailander and Peter Dreier. Previously Dreier and Mailander debated whether City Hall gone too far or not far enough in reining in property rights and sketched out the contours of what they think this housing crisis is. Later this week, they'll propose solutions and clear up myths.

An unintended consequence: higher rents By Joseph Mailander

Peter, before we get started, I'd like to dispel a myth about rent control, and maybe you'll own up agreeing that it is indeed a myth.

Most people hear the words "rent control" and they presume that it always works to hedge against too-pricey rents. In truth, rent control is a lot like collective bargaining; while it has the potential to do some good, it also has the potential to harm. It can even create rents that are too *high*, with especially bad consequences for prospective first-time homeowners.

Rent control can be used to check unfair practices or it can be used to tilt the playing field to a point where property owners are disincentivized to care for their properties, and developers are discouraged from developing new units to meet demand—all of which put housing in the city at risk.

Make no mistake about it: The city of Los Angeles needs to protect its tenants from unduly high rents. That is something it does very well. But the kind of rent control we have in Los Angeles and in scattered cities throughout the Southland is, I think, typically somewhere between too kind to renters and terribly wrong for the city.

Wherever there are disproportionate numbers of renters to owner-occupied homes, as there are in the City of Los Angeles and in Santa Monica, the renters typically have an undue amount of leverage, and they can use it to their city's disadvantage. Wherever in California the ratio of homeowners to renters is more consistent with the rest of American cities, any rent controls put in place are typically less renter-leveraged; and those are places where housing is not in the kind of crisis that it is here.

There's no question that rent controls in Los Angeles are partially responsible for taking away rungs on the below-middle end of the housing ladder in the City of Los Angeles. If you were a developer,



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would you build an apartment complex in a city with rent control or without rent control? Of course, you'd build it outside of a city with rent control. Worse, it's not profitable to you to build in a rent-controlled city unless you can do it on a monstrous level. Rent control almost guarantees that only the worst, most dense kind of rental housing gets built—and that's why L.A. has replaced New York as America's most dense city.

We now have extremely high apartment occupancy rates in Los Angeles County, and of course in the city, the kind of occupancy rates that puts pressure on rents to keep rising in perpetuity. Rent control is to blame for that. Spillage from unavailable units in the City keeps the prices high in adjacent cities, and the adjacent areas can't meet the demand for housing either. The price pressure is all upward.

Too tight controls on rentals ironically discourage the kind of growth that our mayor and City Council insist is inevitable for Los Angeles. Too tight controls on rent lock in renters to a lifetime of renting, taking away the potential for developing starter homes. Too tight controls on rent inhibit home ownership, and also take properties that might become homes off the market.

All this is why, when I see the Mayor and Eric Garcetti and their attending phalanxes of big-money developers say that "growth is inevitable in Los Angeles" when they're promoting their affordable housing solutions, I think: "Well, if you think growth is inevitable, then do something about it! Free up the market a bit, to bring us more and more better units, and roll back the paralyzing rent controls!"

Joseph Mailander is a writer and lecturer on architecture and urbanism who often nags the city of Los Angeles about housing issues. He edits the blog MartiniRepublic.com, which features a special category on architecture and urbanist issues, martinirepublic.com/la+u.

Acknowledging all grassroots activists By Peter Dreier

Where will Los Angeles' working class live? That's what the debate over rent control and condo conversions is about.

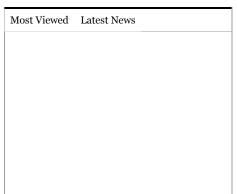
The heroes in this story, who organize for affordable housing, are ACORN, the Coalition for Economic Survival, Coalition LA, LA Voice, LA Metro, LA Community Action Network, UNITE/HERE, SEIU, People Organized for Westside Renewal (POWER) and other grassroots activist groups, including the LA Coalition End Hunger and Homelessness, which is sponsoring tomorrow's Tent City rally at City Hall. Their allies on the City Council include Ed Reyes, Bill Rosendahl, and Eric Garcetti. Developers and landlords, on the other hand, use their campaign war chests and political muscle to spread lies about the consequences of tenant protections. City Councilmembers like Bernard Parks, Greig Smith, and Herb Wesson believe them anyway.





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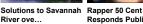
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