THE POLITICS OF RENT CONTROL IN CALIFORNIA AND MASSACHUSETTS

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ABSTRACT

In 1994 Massachusetts passed legislation restricting localities from enacting rent control. California followed suit in 1995. This chapter examines the struggle over rent control in these two states. A history of rent control and a description of the recent politics of deregulation in Massachusetts and California reveals the political calculations of tenants, landlords, and allies in these two states. It focuses on the various strategies used by the real estate industry and the tenants' organizations, the mobilization of "third parties," the role of the media and public opinion, and other factors.
INTRODUCTION

In 1994 Massachusetts passed legislation restricting localities from enacting rent control. California followed suit in 1995. Implementation of the Massachusetts law began in January 1995, while implementation of the California law began in January 1996, although both laws phased in the implementation. Both states limited localities to enacting vacancy decontrol, which allows apartment owners to raise rents to market levels when a tenant leaves (Garcia 1995; Jordan 1995).1 Vacancy decontrol is, in effect, a method of gradually eliminating rent control as tenant turnover eventually allows owners to increase rents to market levels. The Massachusetts law eliminated even vacancy decontrol after two years. In both cases, only a few cities were directly impacted. In Massachusetts, only Boston, Cambridge, and Brookline had any form of rent control; Boston and Brookline had already watered-down their laws to versions of vacancy decontrol.2 In California, only five cities—Santa Monica, West Hollywood, Berkeley, East Palo Alto, and Cotati—had rent control; nine others, including San Francisco, San Jose, Oakland, and Los Angeles, already had vacancy decontrol.

The real estate industry had been trying to pre-empt local rent regulations in both states since the 1970s, when cities in both states began to adopt rent controls.3 They had tried a number of strategies over the years, but had consistently fallen short. What, then, accounts for this dramatic turnaround? This paper examines that question, focusing on the political maneuverings of both pro- and anti-rent control forces in both states, looking for differences and similarities in the two states.4

In simple terms, the battle between tenants and landlords can be viewed as a contest between organized people and organized money. Although a democracy is supposed to operate on the principle of “one person, one vote,” it is obvious that the political playing field is far from level. The distribution of wealth and income in the United States is highly unequal. The disparity in financial resources gives some groups disproportionate influence in getting their voices heard and gaining access to political decision-makers. This does not guarantee that they will get everything they seek, but it does mean that they have an advantage. The political system is generally skewed toward those with economic wealth.

In general, tenants significantly outnumber landlords. If sheer numbers alone accounted for political influence, renters would be a powerful political force. For a variety of reasons, explored in detail below, renters have generally not been able to take meaningful advantage of their numerical edge. In part this is because tenants are disproportionately poor, which is generally associated with low levels of political participation. It is also because tenants are typically not very well-organized while their key opponents (at least on the issue of rent control and other regulations), the real estate industry, are very well-organized. Concentrated among the poor, tenant organizing has inherent limitations. They generally move a lot (often because of eviction for non-payment of rent), vote infrequently, live from crisis to crisis, and lack the disposable income to pay steady dues to a tenants' organization. Resources from government and liberal foundations usually last only as long as tenants protest and disrupt “business as usual.” but such activities are hard to sustain.

Sociologists have coined the phrase “resource mobilization” to explain how social injustice or even widespread discontent, on their own, do not inevitably lead to social protest or to changes in public policy.5 From this perspective, the key factor in explaining effective protest is not simply the level of discontent or the motivation to organize, but how well discontented groups create opportunities to change their situation. In other words, it is important to examine both the internal dynamics of self-help efforts by disadvantaged constituencies and the external environment and resources that these constituencies can draw upon to effect change in public policy. The resource mobilization perspective focuses particular attention on how groups marshall organizational resources. It looks as such issues as leadership, strategic thinking, recruitment of new members, raising money, and influencing the media. Success depends not only on mobilizing the “base” but also on building coalitions with allies and converting neutral “third parties” into allies or sympathizers. When the discontent is among people with few material resources of their own, they have to enlist external resources from “third parties” who help pressure the targets of protest to negotiate and/or make concessions to the protesters.

Political scientists have devoted substantial analysis to the ways that powerful groups exercise influence informally, through parallel institutions (sometimes called “shadow governments”) and social networks. These include participation in the governance and funding of universities, think tanks, policy-planning organizations, foundations, journals, and other institutions that can help shape the public agenda (Dornhoff 1979, 1990; Dye, 1995; People for the American Way 1996; Peschek 1987; Schulman 1995; Smith 1993). If one side has access to research and the capacity to circulate ideas through the media, and the other side does not (or not to the same extent), this represents a political advantage in shaping the agenda, the ideological climate, and the outcome of public policy. This does not mean that relatively powerless groups cannot influence public policy, but that doing so requires them to be better organized and overcome more obstacles than is required of people and institutions with greater material resources.

THE BATTLE OVER RENT CONTROL

Americans have long cherished home ownership as a key element of the “American dream.” Being a propertyless tenant has never been part of that dream. In the United States, housing is symbolized by the freestanding single-family home. Furthermore, a deeply rooted national belief in the sanctity of the “unfettered marketplace” has an especially strong claim in the housing sector which, perhaps more than any other economic arena, is seen as embodying individual choice
unrestrained by the hand of government. In theory (though not in reality), the
government enters the picture only as a last resort.

Modern tenant consciousness and activism in the United States began in the late
1800s with the rise of the industrial city and the emergence of tenants as a majority
of the population in central cities. Tenant activism reached peaks at the turn
of the twentieth century, after World War I and during the Depression—all periods of economic crisis and housing shortages.

During and immediately after World War II, tenant activism slowed down. During the war, labor unions and other protest groups united behind the war effort and tempered their protests. Because of the wartime housing emergency, Congress enacted nationwide rent controls which lasted until 1947. When President Truman lifted rent controls, tenants in New York City fought to have the local government enact a rent control program of its own. For the next 20 years, it was the only city with rent control. Even there, tenants had to organize to keep the city from abandoning the program. In the rest of the country, however, there was a lull in tenant activism until the 1960s. Housing conditions for most Americans improved dramatically. The percentage of tenants in the population dropped from 56 percent in 1940, 45 percent in 1950, and 35 percent in 1960. During this period of rising affluence, American homes got bigger and bigger, with more and more appliances, more patios and porches, more garden and lawn space. This upsurge in homeownership created a strong belief that all except the very poor would soon realize the dream. As a result, working class and middle class tenants had little stake in their roles as tenants. For the most part, they saw themselves as soon-to-be homeowners, so there was little incentive to organize around rent hikes or building problems. The tenants left behind in the cities during the postwar boom were disproportionately the poor and the minorities, but the nation showed little concern for the plight of these groups.

The 1960s saw another wave of tenant consciousness and activism. This period differed from previous ones in that it was not a period of economic crisis or of a severe housing shortage. It was a spill-over from the civil rights and poor people’s movements, all of which developed in the context of “rising expectations.” It was also a spillover of the student movement. Tenant organizations and rent strikes emerged in such college towns as Berkeley, Madison, Ann Arbor, and Cambridge, and in nearby cities (such as Boston and San Francisco) where student activists mixed with a low-income population. It was not until 1964 that the civil rights movement turned north and began to address problems like housing discrimination and slum conditions. It was no accident that the revitalized tenant movement began with the Harlem rent strikes of 1964-1965. According to some accounts, the strikes involved more than 500 buildings and 15,000 tenants, led by charismatic Jesse Grey (Lipsky 1970). They received nationwide attention and helped inspire tenant activism in other cities, primarily among low-income blacks. Out of these efforts developed the first nationwide group, the National Tenants’ Organization (NTO). Formed in 1969, it had within two years affiliates

in most large and medium-size cities. The NTO was concerned primarily with problems in subsidized housing. The NTO’s heyday lasted only until the early 1970s, when internal conflict, declining foundation funding, and the waning civil rights movement undermined its strength.

Rent control in privately owned buildings was a key part of the tenant move-
ment’s agenda. By the 1970s and early 1980s, about 200 cities—in New York State (including New York City), Massachusetts (including Boston), California (including Los Angeles and San Francisco), New Jersey (about 100 communities), Maryland, and Washington, D.C.—had adopted some form of rent control. By the early 1980s, about 10 percent of the nation’s renters were covered by rent regulations, but they were concentrated in a few locations. New York City alone had 39 percent of all rent controlled units; Los Angeles had another 17 percent.

During those years, tenant activists and real estate groups fought brushfire battles at the local level. Landlords and their allies poured millions of dollars to pass referenda, or enact legislation, to stem the tide of municipally sanctioned rent limits, but the battle ended in a stalemate. During the 1980s, tenant activists were unable to add many new cities to the localities that had already adopted rent control, but real estate groups couldn’t beat back any of the existing laws either. In some big cities, including Boston, San Francisco and Jersey City, candidates vaulted into the mayor’s office as champions of tenants’ rights and rent control. In smaller cities, such as Santa Monica, Berkeley, and Cambridge, pro-rent control electoral forces won majorities in city government and shaped the direction of broad public policy.

Tenant activism developed steadily, although unevenly, during the 1970s and
1980s. By the end of the 1970s, building-level tenant groups existed in every city and many suburbs. Citywide tenant organizations could be found in most localities with a significant renter population. In 1975, tenant leaders founded Shelterforce magazine, to report on and encourage tenant activism and to give the movement a sense of identity and coordination. By the early 1980s, statewide tenant organizations existed in New York, New Jersey, Massachusetts, Michigan, Illinois, and California.

In 1980, tenant activists formed the National Tenants Union (NTU), which was based at the Shelterforce office in New Jersey. For several years, the NTU helped coordinate tenant movement activities, primarily to fight Reagan Administration and Congressional attempts to pre-empt local and state rent control laws. NTU never developed a stable funding base or a cohesive coordinating strategy and collapsed by the mid-1980s.

Tenant activism through the late 1970s focused primarily on renters in privately owned apartment buildings. The issues primarily involved rent increases, condominium conversion, and building conditions. During those years, many metropolitan areas had experienced some level of “condomania”—the conversion of apartments to condominiums, leading to widespread displacement. Many tenants, unable to afford the price of condos, but with difficulty finding other housing in a
tight rental market, mobilized to support laws to delay evictions by requiring a year or more notice, prohibit evictions or conversions altogether, or require tenant approval before conversions could proceed. By the early 1980s, some form of tenant protection against condo conversion had been passed in 24 states and the District of Columbia.

During this period, landlords also developed greater cohesiveness and coordination to stem the tide (or the threat) of rent control and condominium conversion control laws around the country. Homebuilders, mortgage bankers and real estate agents have long been influential in local, state and national politics. Real estate groups are among the largest contributors to political campaigns. But apartment developers and owners had been more fragmented. Not surprisingly, landlords have been particularly well organized in New York City (where rent control existed for decades) and have sought to weaken or abolish rent regulation. Where tenants had been most active, landlords had banded together, often under the aegis of the local Chamber of Commerce or Real Estate Board.

Increasingly, however, landlords developed their own networks and organizations. In 1978, the National Rental Housing Council was formed to provide local landlord groups with advice on media campaigns, legal tactics, and research and arguments against rent control and pro-tenant demands, as well as to lobby in Washington. In 1980, the NRHC changed its name to the National Multi-Housing Council (NMHC), reflecting the growing number of condominium developers and converters among the landlords’ ranks. Although large apartment owners have played the most important role, they have sought to broaden their appeal as defending property rights from government and tenant interference.

Unable to roll back rent control at the local level, landlords, led by the NMHC, tried to defeat rent control by looking to the federal and state governments for help. By 1993, 28 states (none of which already had any rent control laws) had passed legislation pre-empting local governments from enacting rent control. In contrast, housing activists in California, New York, and Massachusetts had thwarted several referenda, initiatives, and legislative efforts, bankrolled by apartment owners and real estate groups, to pre-empt local rent control laws.

When President Reagan was elected in 1980, the real estate industry moved the battlefield to Washington. His transition team recommended that HUD prohibit the use of federal housing funds in cities with rent control. In 1981 and 1982, Senator Alphonse D’Amato (R-N.Y.) introduced such legislation. D’Amato’s own New York City would have been affected. After a bruising battle that included intense lobbying by tenant groups and help from then-Speaker Tip O’Neill (whose home city, Cambridge, Massachusetts, had a strong tenants movement and a strong rent control program), the D’Amato bill, backed by the Reagan Administration, went down to defeat. Many Republicans, though opposed to rent control itself, viewed the measure as unwarranted federal involvement in local affairs.

At the urging of the NMHC, Republicans in Congress continued to file legislation to punish cities with local rent regulations, including withholding federal housing funds. Jack Kemp, President Bush’s HUD Secretary, reiterated the call to penalize cities with rent control. In 1988, Sen. William Armstrong (R-Colorado) added a last-minute amendment to the bill reauthorizing fund for the homeless. Armstrong’s measure required HUD to study how rent control laws might be causing homelessness and gave HUD until the following October to produce the report. HUD released the much-anticipated report in September 1991. Much to Kemp’s chagrin, the study concluded that there was no conclusive evidence that rent control causes homelessness, but urged that “further study should be undertaken.”

In 1989, when Congress proposed the first new major housing bill in 15 years, the National Affordable Housing Act, tenant activists were dismayed to find that the draft version included language to withhold federal funds to cities with rent control. Tenant activists were told that real estate lobbyists had persuaded one of the cosponsors, Senator Alan Cranston (D-CA), a former builder, to incorporate the anti-rent control provision. Tenant groups and the National Low-Income Housing Coalition pushed hard to get the offending language removed, but it was the intervention of California State Senate President David Roberti, who was close to Cranston, that made the difference. The NMHC-sponsored language was watered down. When the bill was finally passed in 1990, it included an oblique (but still potentially harmful) reference to rent control. In applying for federal housing funds under the new program, cities and states were required to explain whether the cost of housing or the incentives to build or repair housing are “affected by public policies,” including “policies that affect the return on residential investment,” a thinly-veiled reference to rent control. No city has yet been denied funding because it failed to adequately address that question.

RENT CONTROL IN MASSACHUSETTS

The Massachusetts tenants’ movement of the late 1960s and early 1970s was a spillover of the student movement, the civil rights movements, and resistance to urban renewal. Community-based struggles to stop institutional expansion of hospitals and universities into residential neighborhoods, to stop a proposed federally funded highway through residential areas, and to stop the urban renewal bulldozer had created an organizational infrastructure and a cadre of organizers and activists who took up the cause of tenants’ rights and the empowerment of low-income and working class neighborhoods. Tenant organizations emerged and tactics like rent strikes increased. Tenant activists formed “tenant unions” in apartment buildings or among tenants in buildings owned by the same landlord, formed neighborhood and citywide organizations, and engaged in various forms of protest, mass rallies, and civil disobedience, including “eviction blocking.” They pushed local
began cultivating the support of the real estate industry and changed his policy views. Rent control became a convenient scapegoat for housing abandonment and high property taxes on homeowners—problems more accurately linked to the city’s overall economic problems, the busing controversy, and its fiscal crisis. In 1975, White and the City Council adopted vacancy decontrol, which permanently removed an apartment from regulation after a tenant left, as of January 1976. As a result, once-regulated apartments were gradually exempted from rent control, declining from over 100,000 units to under 25,000 units by 1983. Only those tenants who had lived in their apartments since 1976 were protected by rent control.12 During the 1980s, the system was amended several times (particularly to deal with condominium conversions and to add a rent grievance system in the decontrolled units), but the city never reimposed full rent control.

In the late 1970s a huge wave of condominium conversions fueled tenant protest.13 In 1979, Ray Flynn (then a City Councillor) proposed a ban on condo conversions, a policy that had little support among his colleagues. A compromise was reached that provided tenants with advance notice before they could be evicted for condo conversion, along with some relocation expenses. The Massachusetts Tenants Organization (MTO) was formed in 1981 to help coordinate and expand these local efforts, primarily around rent increases and condominium conversions. In that fall’s City Council elections, an MTO affiliate, the Boston Tenants Campaign Organization (BTCO), endorsed a “Tenant Ticket,” distributed flyers in apartment buildings, registered tenant voters, organized a get-out-the-vote drive, and handed out “Tenant Ticket” poll cards on election day. Two of BTCO’s candidates won, including incumbent Flynn, who—thanks in part to the tenant vote—tipped the ticket. Two years later, MTO’s endorsement and organizing efforts played a key role in electing Flynn as Boston’s mayor. A cornerstone of Flynn’s platform was an overhaul of the tenant protection laws, a return to full rent control, and either a ban on evictions for condo conversion or a ban on conversion itself.14

In October 1984 the City Council rejected Flynn’s plan to restore full rent control. In its place, the Council substituted a rent grievance system in the decontrolled units,15 banned condo evictions for low-income and elderly tenants, extended (up to three years) the notice period for other tenants facing condo conversion, and increased moving expenses (from $750 to $1000) for tenants displaced by conversion. The compromise measure accurately reflected the balance of political forces at the time, particularly the Greater Boston Real Estate Board’s (GBREB) influence on the majority of Council members. Flynn continued to push for stronger tenant protections. In mid-1985—with the housing crisis worsening and condo conversions escalating (even outside the downtown neighborhoods)—the City Council gave the rent board the authority to regulate condo conversions by requiring landlords to obtain a permit before a conversion could take place. The GBREB successfully challenged the policy in court but the city then got the state legislature to give it the authority to implement the law. By the mid-1990s,
Boston had about 90,000 apartments under the jurisdiction of the Rent Equity Board, which regulated rents, evictions, and condominium conversions. Only about 20,000 units were under rent control; the rest were under the looser rent grievance system.

THE POLITICS OF DEREGULATION IN MASSACHUSETTS

Massachusetts landlords organized a campaign for a statewide initiative (Question 9) to repeal rent control, by pre-empting localities’ authority, that appeared on the ballot in November 1994. It passed with 51 percent of the vote. The three cities with rent control—Boston, Cambridge, and Brookline—voted “no.” Implementation began January 1, 1995.

Landlords had been unhappy about rent control for the 25 years of its existence. They had succeeded in repealing it in Lynn and Somerville, and watering it down in Boston and Brookline. Cambridge, like Santa Monica and Berkeley on the West Coast, was viewed as having an “extreme” or “radical” form of rent control. Cambridge’s system would prove to be the battering ram which landlords used to attack rent control at the state level.

Tenant organizing in Cambridge had atrophied by the mid-1980s (Cantor 1995). A small core of tenant activists continued to appear at City Council meetings and to advocate before the rent control board. This same core managed to regroup the fragile coalition of tenants, senior citizens, and other constituencies at each election cycle. But the energy and organizational capacity of the tenant constituency had severely dwindled. This vacuum was filled by a new organization, the Small Property Owners Association (SPOA). SPOA was composed of homeowners and small landlords, but it quickly hitched its political wagon to more powerful real estate industry forces under the banner of the Massachusetts Homeowners Coalition (MHC). SPOA served as the public face of the anti-rent control effort, while the money and strategies were controlled by the real estate trade associations and their hired campaign consultants.

SPOA’s goal was the elimination of rent control. Its membership was composed of relatively small property owners—homeowners and small-scale apartment owners—who linked their personal and property interests much more intimately than large developers and landlords. They believed that “rent control violated their fundamental personal rights” (Cantor n.d.).

Moreover, SPOA engaged in somewhat militant tactics alien to traditional real estate industry approaches. For example, they picketed and spoke out fervently at Cambridge City Council meetings. They projected an image of small property owners being abused by unresponsive government, the “People’s Republic of Cambridge.” They told horror stories of condo owners forbidden by the rent control law (or board decisions) from living in their own units, or being unable to convert rooming houses into single family homes where they wanted to live, of being unable to evict tenants who failed to pay rent, and of long delays in getting rent increases. MHC members wrote letters to editors of local papers. They frequently appeared on radio talk shows. They found reporters and columnists who wrote sympathetic stories about their plight. (Importantly, radio shows and daily newspapers that covered Cambridge were part of the larger Boston media market, so the anti-rent control message extended beyond Cambridge). They argued that rent control forces landlords to subsidize tenants. “Providing affordable housing should be society’s problem,” MHC president Denise Jillson told the Boston Globe, “not the problem of the individual property owners.” They compared the struggle of small property owners to overturn the “tyranny” of local rent control to the civil rights movement’s efforts to get the federal government to overturn local segregation laws (Manly 1994b).

SPOA was not only well-organized, but also politically savvy. It only showcased small property owners, even though much of the group’s support came from large real estate interests. It focused attention on minority, immigrant, and senior citizen members. It highlighted examples of affluent tenants paying below-market rents in buildings owned by purportedly financially strapped landlords. This reinforced the image they sought to project—that rent control did not primarily help the poor. SPOA persuaded the Cambridge City Council to commission a study by a private consulting firm of who lived in rent controlled housing.

SPOA lost its first major political battle during the 1989 local elections. Three long-time rent control supporters on the City Council declined to run for re-election, making the City Council races a referendum on rent control. Also, landlords (primarily large property owners concerned about local restrictions on condo conversion) collected enough signatures to get Proposition 1-2-3 on the local ballot and financed an expensive and sophisticated campaign to reach voters. It would have allowed landlords to convert apartments to condos if the tenants wanted to buy them, undermining the city’s law which linked condo conversion to housing market indicators. If successful, Proposition 1-2-3 would have eliminated rental units and undermined the political base of support for rent control. However on election day, voters defeated the proposition by a two-to-one margin and elected an unprecedented 6-3 pro-rent control majority on the City Council.

Although angered by this defeat, SPOA viewed the 1989 elections as one battle in a longer war. Equally important, although real estate forces lost the local elections, they had helped set in motion a changing political climate by chipping away at the image of rent control as a policy that protected the most vulnerable people. They had begun to set the stage for a full-scale attack on rent control several years later. Over the next few years, SPOA spearheaded a constant media attack on rent control. It did a good job of identifying a few high-profile “undeserving tenants”—primarily professionals with good incomes, including Cambridge’s mayor and a state court judge—who were used as the symbols of rent control’s inequalities. During the summer of 1993, SPOA began preparing for a statewide initiative.
campaign to ban rent control. A majority of residents in Boston, Cambridge, and Brookline were renters. Statewide, however, owner-occupied units outnumbered rental units by 1.35 million to 980,000 (Brelis 1994a). Moreover, homeowners had higher levels of voter registration and turnout than tenants. The Greater Boston Real Estate Board and its Rental Housing Association, which represented the big landlords, developers, and management firms, did not agree with this strategy. Its leaders were frightened of putting the issue before the voters. "What if the reverse happened and we lost?" They felt on safer ground working through city councils and the state legislature, where they had skilled lobbyists and political clout. But the GBREB recognized that the SPOA was going to move forward anyway, so it soon joined forces with the small property owners to push Question 9.

Soon after the Attorney General approved the ballot measure, Ed Shanahan, director of GBREB's Rental Housing Association, got a frantic phone call from Denise Jillson, the head of SPOA, asking for RHA's help. GBREB, SPOA, and Massachusetts Association of Realtors put together a coalition called the Massachusetts Homeowners Coalition (MHC) that spearheaded the Question 9 effort. They sought to identify the public face of the campaign with small property owners like Jillson who was "the perfect poster girl" for their cause. The campaign for and against Question 9 began in the summer of 1994 until election day, November 8. Using local realtors and paid canvassers, MHC began soliciting signatures to place the measure on the ballot in November 1994.

SPOA helped to chip away at support for rent control among people not directly affected by the policy—third parties such as the media, homeowners, and others. Media accounts about rent control were generally unsympathetic (Brelis 1994b). One Globe reporter, writing about his experience selling his condominium, wrote about his "nightmare" dealing with the Cambridge Rent Control Board (Tye 1994). Three out of four Globe columnists who wrote about the topic supported Question 9; two of the opponents wrote several columns on the topic during the campaign, repeating SPOA's views about rent control horror stories. One columnist called rent control a "yuppie subsidy, a middle-class loophole hurting small-time property owners." Another columnist claimed that "like socialists the world over, the rent radicals of Boston, Brookline and Cambridge operate on the principle that whatever they win is permanent and whenever they lose it's negotiable." A third columnist claimed the big losers if rent control was abolished would be the "politicians, professors, judges, doctors, lawyers, Harvard students and businessmen, who have enjoyed cheap digs for years" (English 1994a, 1994b; Jacoby 1994; Jordan 1994; Nyhan 1994). The reporters, columnists and editorial writers at the Boston Herald, the region's other major daily paper, consistently supported Question 9.

The Massachusetts Tenants Organization led the charge against Question 9. It formed an umbrella organization, Save Our Communities Coalition (SOCC), composed primarily of tenant activists in Boston, Cambridge, and Brookline, the three communities that would be directly affected. SOCC focused its campaign on the harmful impact Question 9 would have on the elderly. It showcased elderly renters who would be hurt if rents were deregulated (Black 1994). In posters and bumper stickers, it advertised its slogan: "Bad for Elderly—Bad for You." SOCC's rallies and protests, all in the Boston area, received minimal media attention. For example, no reporters showed up at a SOCC-sponsored October 12 rally on the steps of the State House. Various unions, the AARP, Boston Mayor Tom Menino, and a variety of community organizations and public interest groups endorsed the "No on 9" campaign. In contrast to much of its reporting and several of its columnists, the Globe editorialized against Question 9 on the grounds that it interfered with the "home rule" authority of localities. Indeed, throughout the Question 9 campaign and the subsequent legislative fight, rent control proponents emphasized the home rule principal as much, or even more, than the benefits of rent control.

Rent control's supporters were clearly on the defensive. Even the director of the Massachusetts Tenants Organization acknowledged to the Globe that "it's not a perfect system," arguing that only a handful of tenants in rent-controlled are rich (Manly 1994a).

The SOCC group operated on a shoestring budget with only one staffperson, no funds for TV commercials, no funds to sponsor research studies, and only limited funds to do polling and distribute literature. The SOCC-led effort was completely outmaneuvered by the pro-Question 9 campaign. This was a classic example of the impact of money on elections. The campaign used rent control as an example of the undue influence of big government. Its logo showed a house with the words "Get Gov't Out" across it. Its TV and radio ads focused on rent control's "unfairness," primarily using examples from Cambridge, which had the strongest law among the three cities and which, despite its large low-income and minority population, was known outside the Boston area as the home of Harvard, MIT, and its student/intellectual culture. The real estate forces hired several consultants to conduct studies which, not surprisingly, alleged to show that rent control in Cambridge disproportionately helped the non-poor.

During the campaign, the media reported tenants' fears of huge rent increases as well as landlords' promises that rent increases would be fair and reasonable. The Globe quoted one large property management company official's prediction that it would not make "an immediate hike that would force people out." Another landlord said that "It should take a year to find out the market, and at that point we'll negotiate a new rent. In most cases, even if the rent should be $1,200, we'll agree to less to have a tenant stay rather than have a vacancy (Brelis 1994c)."

The pro-Question 9 forces outspent their opponents by $1.06 million to $158,248. The proponents used this financial advantage to hire professional consultants to manage the campaign, to do polling, and to buy TV and radio advertisements. Proponents spent over $200,000 on paid TV ads. The Yes campaign
received most of its money in $500-or-more contributions, many of them from out-of-state. Nineteen real estate firms contributed $510,022, more than half (53.9 percent) of the Yes campaign’s funds. The list of contributors reads like a “who’s who” of the Boston area’s major realtors, landlords, developers, and property management firms. The Greater Boston Real Estate Board alone contributed $168,878 to the Yes campaign, $118,878 in gifts and in-kind services plus a loan of $50,000. The biggest single source of funds for the “Yes” campaign came from the National Association of Realtors and the Institute of Real Estate Management, based in Chicago. They funneled their combined $75,000 contribution to BMC Strategies, a political consulting firm, to be used for TV ads. In contrast, the No forces had only one paid staff person. They had no money for TV ads. Only 11 percent of the $158,249 it raised came from $500+ contributions (Commonwealth Coalition, n.d.).

A Globe poll a week before the election found 34 percent of likely voters supported Question 9, 37 percent opposed it, and 29 percent were undecided (Reidy 1994). The Question 9 campaign’s financial resources helped sway enough undecided voters to bring victory. Question 9 won by a narrow margin: 51.3 percent (1,034,594) to 48.7 percent (980,723).26 Voters in Boston, Cambridge, and Brookline voted substantially against the measure, although not by margins large enough to make a difference in the statewide outcome. In most cities and towns outside the Boston metropolitan area—for example, in Springfield, Fall River, New Bedford, Lawrence, Holyoke, Fitchburg, on Cape Cod and in the Berkshires—a majority of voters voted no. Question 9’s small margin of victory came from the Boston area suburbs, where the real estate industry’s campaign concentrated its media efforts. One cannot also discount the sentiment toward rent control that had accumulated over the previous few years aided by articles in the Boston area media market. The Question 9 campaign simply reinforced these views.

After the November elections, tenant activists in Boston, Brookline, and Cambridge pushed their city governments to file home rule petitions in the state legislature to reinstate a version of rent control.27 These local battles in each city were highly contentious, involving controversial public hearings and protests. The tenants and sympathetic local public officials knew, however, that whatever bill they could get through the two houses, both with a majority of Democrats, would be vetoed by Republican Governor William Weld, a Cambridge resident (and ideological libertarian) who had just won an overwhelming re-election victory and was strongly opposed to rent control. They didn’t have sufficient support to override Weld’s veto. SPOA lobbied the legislators to reject any home rule petition that continued any form of rent control. Weld announced that he would only approve a petition that SPOA could live with. “If they are satisfied, I am satisfied,” Weld said disingenuously, “I am almost a spectator here” (Wong and Ellement 1994).

At this point, the years-long drumbeat of criticism about rent control bore fruit. Even rent control advocates realized that their only hope for protecting any form of regulation would require some kind of means test. On January 3, Weld announced that he and the real estate industry had reached an agreement. With two minutes left in the session, on a voice vote, the legislature passed the bill on January 3, 1995: Weld signed it the next day.28

The new law, as one legislator put it, allowed rent control to “die with dignity” (Wong 1995). The law immediately decontrolled all units which were not occupied by a tenant who met the new income eligibility guidelines.29 Rent control for income-eligible tenants in buildings with up to 12 units would end on December 31, 1995, while those in larger buildings would no longer be protected after December 31, 1996. The law specified that for income-eligible tenants, landlords could raise rents in these rent controlled units by 5 percent a year, or up to 30 percent of the tenants income. Local rent boards lost the authority to regulate evictions.30

Several news accounts noted that the small property owners, led by the SPOA, were angered by the compromise that allowed the two-year phase-out of rent control. As the inside game within the legislature played itself out, Governor Weld and the legislatures negotiated with the Greater Boston Real Estate Board and the Massachusetts Association of Realtors, and shut the SPOA out of the negotiations. They felt sold out by the big landlords (Kenney 1995). SPOA had laid the groundwork, served as the media spokespersons, and framed the ideological debate, but were viewed as too uncompromising when it came time for the endgame. In doing so, they helped the major real estate lobby groups appear to be moderates rather than the heavies. The political center of gravity had shifted so far in the industry’s favor that the bill to entirely phase-out 25 years of rent control was called a “compromise.”

Interestingly, media coverage of the rent control issue expanded dramatically after Question 9 has passed. Most of the reporting focused on the personalities and maneuverings engaged in the home rule legislative battle, on the political maneuverings of Governor Weld, legislative leaders, and Boston Mayor Tom Menino over whether the legislature and governor would approve local home rule petitions and, in effect, override the Question 9 vote. Yet at no time during the legislative phase of this issue did the media analyze the influence of the real estate lobby, including its campaign contributions, in the legislature. It covered the home rule debate as a matter of ideology and political in-fighting. Immediately after the Question 9 vote, a few stories focused on the fears of tenants worried about dramatic rent increases and the delight of landlords freed from regulatory abuse. These articles increased in 1995 and 1996 when the new law took effect, particularly as the phase-in period was coming to an end.
RENT CONTROL IN CALIFORNIA

In the 1970s, California seemed an unlikely place for a broad movement for tenants' rights. As Heskint notes, "Aspiring tenant organizers considered the California tenant to be too individualistic and too mobile to be organized" and "the densities of renters too low for mass collective action" (Heskint 1983). But a California tenants movement exploded in 1978 following passage of Proposition 13, the tax-cutting amendment. California had an upsurge of tenant activism in the late 1970s and early 1980s, and then—with a few local exceptions—experienced a lapse starting in the mid-1980s which continued into the 1990s.

During much of the 1960s, apartment vacancy rates in the state's urban areas were high; some landlords even complained of an apartment glut (Heskint 1983). This began to change in the 1970s, as rental apartment construction fell, vacancy rates fell, and rents increased faster than inflation. Moreover, skyrocketing housing prices shut out many middle-class households from homebuying. Except in Berkeley, however, there was little tenant activism in response to these changing market forces. In 1972, Berkeley voters passed a rent control charter amendment through the initiative process. The city began to implement the law, but landlords successfully challenged the amendment in court. In Birkenfeld v. Berkeley, the Alameda County Superior Court (in 1973) and the state Court of Appeal (in June 1975) held that the Berkeley law was unconstitutional on procedural grounds, but it found that cities had the right to adopt rent control without further state legislation.

In 1975, Senator David Roberts (D-Los Angeles) filed a rent control bill that died "quickly and quietly" in the Senate Judiciary Committee, a reflection of the weak political constituency at the time (Heskint 1983). In the mid-1970s, even before the upsurge of tenant activism, California's real estate industry recognized the potential for a wave of tenant protest and demands for rent regulations, especially in light of Birkenfeld v. Berkeley. In 1976, the California Housing Council, a new coalition of the state's major apartment developers, owners, and managers, along with their allies among realtors and smaller landlords, pushed a bill (AB 3788) through the state legislature pre-empting localities from adopting rent control. A fledgling California Renters Coalition was too weak to effectively oppose the bill in the legislature or the media. But on the advice of his liberal housing department director, Arnold Stemberg, and with the support of his liberal constituency, particularly Jack Henning of the state AFL-CIO, Governor Jerry Brown vetoed the bill, angering the real estate community (Carlson 1995-96).

Sensing that a battle was brewing, a handful of tenant organizers and legal aid attorneys recognized that they needed to be better organized and in 1977 250 activists met in Los Angeles to form the California Housing and Information Network (CHAIN) to serve as the umbrella coalition for tenants' rights. A few local groups began to organize tenants around rent increases, evictions, and maintenance issues.

Governor Brown's veto of the CHC's pre-emption bill proved fateful, because demand for rent control exploded across the state in the aftermath of Proposition 13. Proposition 13 was spearheaded by ultra-conservative political forces. The tax revolt's leader was Howard Jarvis, chief executive of the Apartment Association of Los Angeles County, who sent landlords a mailing urging them to "convince your tenants that lower property taxes mean lower rents" (Heskint 1983). A month before election day, the California Apartment Association announced that landlords would pass property tax savings onto tenants if it passed. Recognizing the dangers of a tenant backlash if landlords broke this promise, the CHC opposed Proposition 13.

On the same day that Proposition 13 won by a two-to-one margin statewide, rent control initiatives were defeated in Santa Monica (56-44 percent) and Santa Barbara (by roughly the same margin), even though tenants represented a majority in both communities. Real estate interests poured huge sums of money to defeat these referenda (Carlson 1995-96). Precincts that favored Proposition 13 voted against rent control, often by a similar margin. Throughout the state, in fact, voters who opposed rent control thought that property taxes were the cause of high rents. They expected Proposition 13 to hold down rents.

The California Housing Council was the only major real estate industry group to oppose Proposition 13. After it passed, the CHC sent a letter to its members across the state urging them to reduce rents (Heskint 1983). But the anticipated windfall of rent rollbacks did not materialize. In fact, many of California's 3.5 million tenants received notices of rent increases shortly after Proposition 13 passed. This set the stage for a significant tenant backlash. Throughout the state, tenants who had been hit by rent increases organized meetings to demand that landlords share their property tax savings. Newspapers were filled with stories of outraged renters, embarrassed landlords, and politicians jumping onto the bandwagon. For example, Los Angeles Mayor Tom Bradley, who had earlier lent his name to the anti-rent control campaign in nearby Santa Monica, called for a city-wide rent freeze ordinance. As public clamor mounted, some landlords agreed to voluntarily reduce rents to avoid mandatory rollbacks and freezes.

Tenant pressure did not subside. Governor Brown established a renter hotline which, at one point, was receiving 12,000 phone calls a day to register complaints about rent hikes (Heskint 1983). When heavy real estate industry lobbying defeated a statewide bill requiring landlords to pass on Proposition 13 savings to tenants, the battle shifted to the local level. Tenant organizing kept the anger about post-Prop 13 rent hikes in the news. Tenant groups began to mobilize in communities across the state, demanding rent control. Newspapers reported an upsurge of rent strikes, even in the politically moderate San Fernando Valley section of Los Angeles (Heskint 1983).

By 1981, more than 25 California communities, including Los Angeles, San Francisco, and San Jose had passed some kind of rent control laws. By 1988, 78 communities in California had some form of rent control, although in 64 of these
jurisdictions rent control was limited to mobile homes. In the 14 cities where rent regulations covered apartments, nearly one million units were covered. Nine of the jurisdictions provided for vacancy decontrol, allowing landlords to set rents at market levels when a tenant voluntarily vacates an apartment. Berkeley, Santa Monica, West Hollywood, East Palo Alto, Cotati, and Palm Springs did not allow vacancy decontrol (California Association of Realtors 1988). Rent control was the centerpiece of electoral activity in Berkeley and Santa Monica, where progressive coalitions won majority blocs on the City Council of each city. The pro-tenant governing regimes remained in power in those cities for almost two decades. These cities' strong rent control laws allowed the real estate industry and mainstream media to label them "radical" and "extreme."

Faced with all these local brushfire battles, and unable to get Governor Brown to sign a local pre-emption bill, the real estate industry's strategy was to circumvent the liberal governor by putting the issue of pre-emption before the voters in a statewide initiative. Seeking to stop the rent control momentum, the CHC, the umbrella lobby group of the state's largest landlords, spearheaded the campaign for Proposition 10, which appeared on the ballot on June 3, 1980. Voters overwhelmingly defeated Proposition 10 by a 65 percent to 35 percent margin, despite the fact that the CHC outspent the opposition by an 80-to-1 margin. The landlord campaign used the usual arguments that rent control stymied new construction as well as maintenance and thus have a serious negative impact on the supply of rental housing. CHC polls showed that, as a group, "landlords" were not well-liked. At the same time, San Diego Mayor Pete Wilson successfully led the opposition to a rent control initiative in that city (Carlson 1995-96).

During the 1980s, the statewide momentum for rent control slowed down. No new cities enacted rent control laws, but neither did local politicians seek to weaken rent control where it already existed. The real estate industry recognized in 1987 that "rent control may no longer be the single hot issue that it once was." While it was difficult to roll back existing local laws, the industry saw that "rent control no longer draws the overriding community concern that it once did" (California Association of Realtors 1988). In 1987, for example, only one locality, Burlingame, sought to pass a rent control measure, and it was defeated. In 1988, the CHC helped defeat a citywide ballot initiative for full rent control in San Francisco. In 1991, Mayor Art Agnos, who had been elected as a rent control supporter, got the Board of Supervisors to pass full rent control, but the real estate industry got the issue on the ballot and orchestrated an expensive and successful campaign to repeal the Board's vote (California Association of Realtors 1988). Then in December 1991 the industry helped Police Chief Frank Jordan, a foe of rent control, defeat Agnos for re-election. The ballot victory and Jordan's election, in a liberal city with a big tenant majority, led real estate interests to conclude that "rent control is not what it used to be" as a political issue (San Jose Mercury News 1994).
and the National Rifle Association (angered by Roberti's support for strong gun control) tried to evict Roberti from the legislature a year early by sponsoring a recall campaign in his new Senate district. The recall effort by NRA failed with Roberti garnering help from housing activists from Santa Monica and other cities outside his new district. Tenant activists from as far away as San Francisco came to the San Fernando Valley to campaign against the recall vote.

After the recall effort failed, but knowing that Roberti would be out of office after 1995, the real estate industry set the stage for the following year's battle. Again, Costa filed his legislation. Again, it sailed through the Assembly and wound up in the Senate Judiciary Committee. A public hearing was held in June 1994. This time, however, the vote was closer than in earlier years. A number of Democrats who in the past had voted with Roberti broke ranks and others had to have their arms twisted by Roberti and labor leaders. A hearing was held in Sacramento in June. But they came within one vote of passing the bill in the Judiciary Committee. The deciding vote was cast by Senator Art Torres, a liberal Democrat, who was also leaving office. Tellingly, Senator Bill Lockyer, who would replace Roberti as president pro tem, abstained. In June 1994 the state Senate voted against the bill. According to CHC lobbyist Steve Carlson, "It seemed to us that we were getting closer." As president pro tem, "Lockyer wouldn't make this a life-or-death issue the way Roberti did." Defeated, Costa withdrew his bill on August 16, 1994, but it was already clear that Roberti's grip had weakened and that the real estate industry was flexing its muscles for the next legislative session.

Several factors, including the January 1994 Northridge earthquake, changed the balance of forces.43 Roberti was forced to leave the Senate because of term limits; his final term ended in December 1995. Senator Bill Lockyer, no ardent fan of rent control, was elected president pro tem. Also, Costa was elected to the Senate. In 1995, the Republicans won control of the Assembly.44 The political center of gravity had shifted to the right.45 Governor Pete Wilson, a long-term opponent of rent control, was re-elected in November 1994; he was certain to sign any anti-rent control bill.46

In 1995 the San Jose Mercury News described the Costa bill as "moving smoothly" through the legislature (Hill-Holtzman 1995; Ingram 1995; Jordan 1995; Los Angeles Times 1995; Walters 1995). Tellingly, Senator Nicholas Petris, a liberal Democrat who represented Oakland and Berkeley and a long-time supporter of rent control, voted for the Costa bill in the Judiciary Committee.47 On July 24, 1995, the Senate (24-11) and the Assembly (45-18) passed the Cos/Hawkins bill. To win Assembly passage, Democrats supported compromise provisions that phased in rent increases over three years, then allowed full decontrol. Rents could go up 15 percent the first year, Wilson signed the bill on August 4, 1995, with the law to go into effect on January 1, 1996.

Opposition to the Costa/Hawkins bill was very feeble. Only Santa Monica, West Hollywood, Berkeley, East Palo Alto, and Cotati would be significantly affected, because the other cities with rent regulations already had vacancy decontrol. San Francisco and Los Angeles would lose their rent regulations on single-family homes, but this did not provide a broad enough political constituency to mobilize serious opposition. Tenant groups from these jurisdictions and city governments sent representatives to the public hearings in Sacramento, but were vastly outnumbered by representatives from the real estate industry, particularly so-called "Mom and Pop" landlords who were the public face of the industry campaign. The Western Center on Law and Poverty, an arm of legal services, led the opposition. It sought to piece together a coalition of local tenant groups, senior citizen groups, religious groups, and local governments. The cities of Santa Monica, Berkeley, and West Hollywood chipped in funds to hire a Sacramento lobbyist to orchestrate a lobbying and public relations effort to defeat the Costa bill.

Roberti's warnings had proven accurate. The pro-rent control forces lacked the organizational infrastructure and grassroots constituency to mount a serious opposition effort. It was easy for legislators to vote for a bill that would only significantly affect the small cities of Santa Monica, Berkeley. West Hollywood, Cotati, and East Palo Alto, the only cities with even a modicum of grassroots tenant activism. One organizer of the pro-rent control coalition, described efforts to stop the Costa/Hawkins bill a "last gasp." Seventeen years after the post Proposition 13 groundswell of pro-rent control tenant activism, the legislature was able to pass a statewide pre-emption bill with almost no political fallout.

COMPARATIVE ANALYSIS

What are the key factors that explain the dramatic turnaround in the fortunes of rent control in Massachusetts and California? Changes in housing market dynamics in the two states cannot explain the change in policy, since there was no significant change during the period under discussion here. Rather the key factors are political and ideological.

Influence of Real Estate Industry

It is difficult to exaggerate the political influence of the real estate industry, fueled by a combination of political contributions and grassroots networks. For years, the various components of the industry—apartment owners, developers, realtors, managers and lenders—worked together to oppose rent control and other tenant protections. This persistence and unity eventually paid off. Even when the industry lost some battles, it persisted in fighting the long-term war over rent control, refining its ammunition and, when necessary, calling for reinforcements. These industry organizations and their staffs developed close ties to legislators at the state and local levels over the course of several decades. They have the staying power to persist in waging their efforts year after year. The deregulation victories
in 1994 and 1995 should be seen as part of this long-term process, not a sudden reversal of fortune.

In both states, the real estate industry is one of the most powerful political lobby groups in the state legislature. In Massachusetts, it is one of the six more generous industries in terms of PAC campaign contributions and lobbyists’ personal contributions to state legislators. In California, the California Real Estate PAC was the sixth largest contributor ($649,800) to legislative campaigns during the 1991-92 election cycle. From 1983 through 1993, the Real Estate PAC was among the ten largest PAC donors each year, ranking as high as third during the 1987-88 election cycle (California Common Cause 1993). Costa was one of the industry’s favorite beneficiaries. Other industry trade associations and individuals are major donors. Still as one California real estate lobbyist noted, “If it had just been ‘juice,’ we would have gotten rid of rent control a long time ago.” Other factors opened a window of opportunity for the housing industry to get the Costa bill through the legislature.

In Massachusetts, the Greater Boston Real Estate Board played the role of coordinating the industry’s activities, with strong support from the Massachusetts Association of Realtors and others. In Massachusetts, the emergence of the SPOA, representing small property owners, could have undermined the industry’s unity, but quite early in the Question 9 campaign, the ideologically driven SPOA and the more pragmatic GBREB joined forces. In fact, the emergence of SPOA helped shape the public debate in ways that helped define the GBREB as “moderate” and its legislative efforts as a “compromise.” The SPOA’s willingness to engage in protest tactics helped make the “abuses” of Cambridge’s rent control a newsworthy story and draw attention to the issue. The fact that it was landlords, not tenants, engaging in protest was to journalists the equivalent of “man bites dog.” The SPOA lacked the political resources to carry out a statewide strategy, so its fragile alliance with the major real estate industry proved useful, even though some SPOA members considered the legislative solution a “sell out.”

In California, the California Housing Council, formed in the 1970s to represent the large apartment owners and managers, worked closely with the California Apartment Association (which represents smaller property owners), the Building Industry Association, and California Association of Realtors, and others. The lobbyists for these groups met once a week “to compare notes,” explained David Booher, CHC lobbyist. A split between CAA (representing small apartment owners) and CHC (large landlords) in California emerged in the late 1980s when there was little likelihood of defeating rent control, but this split was resolved in the mid-1990s when, according to a CHC lobbyist, “we realized it wasn’t possible to get rid of it entirely” and CAA accepted the need to compromise. Echoed another lobbyist: “It took awhile for small owners to concede that we should settle for something short of the complete elimination of rent control.”

The influence of the real estate industry goes beyond its campaign contributions to local and state public officials. The financial resources of the real estate industry have been used to constantly put its opposition on the defensive. As a result, tenants organizations have constantly had to organize to protect the status quo from further erosion of tenant protections. With their considerable financial resources, the CHC and the Greater Boston Real Estate Board sponsored ballot measures or introduced anti-rent control legislation at the state or local levels that kept tenant groups busy and in a reactive mode. They also kept filing lawsuits challenging the legality of various tenant protection laws and then appealing them if and when they lost in lower courts. This served to sap some of the strength and persistence of tenant organizations. It also turned so-called “tenants rights” struggles into complex legal, technical, and legislative maneuvers.

Moreover, the real estate industry is well-organized at the national level. State and local real estate organizations can draw on the experience, expertise, and resources of national bodies and each other. For example, in both states, national real estate industry trade associations and firms have contributed money to support anti-rent control ballot measures, including the Question 9 campaign. Also, national real estate groups have spent several decades hiring academics to conduct studies that criticize rent control as a public policy, while tenant groups generally lack the resources to sponsor comparable research, and disseminate these studies to state and local groups to use in their battles against rent control. The findings of this research, repeated often enough, becomes the conventional wisdom among academics. There is now a cadre of academic experts that the industry uses to testify before legislative bodies and to speak to the media. For example in the late 1980s, when the Los Angeles City Council was considering renewing (and even strengthen) its rent regulations, the CHC brought Brookings Institution’s Anthony Downs, who had written a report against rent control sponsored by a coalition of national real estate industry groups, to Los Angeles to talk to Council members and staff, the media, and industry officials. In support of the Costa-Hawkins bill, the CAA and CHC brought several academics to Sacramento to testify against rent control, summarizing their studies that had been paid for by the industry. During the Question 9 campaign, the GBREB hired two academics to conduct studies to support the anti-rent control arguments.

Finally, the real estate industry was effective at mobilizing its constituency when its leaders thought doing so was necessary. As one real estate lobbyist explained, the realtors, landlords, and developers view this behavior as part of their business activities and spending money for political influence as a business expense. Unlike some other highly concentrated industries, real estate has many small- and medium-size firms among landlords, realtors, and developers. The California Association of Realtors alone has over 100,000 members. The industry’s professional lobbyists catalyze this constituency to write letters to newspapers and politicians, arrange group meetings with elected officials, and attend public hearings.
Weakness and Fragmentation of Tenant Constituency

Even under the best circumstances, the pro-rent control forces in both states faced overwhelming odds when confronting the organized power of the real estate industry. If the tenant groups had any chance of preserving rent control, they would have had to mobilize their natural constituency of protected tenants and marshal strong support from their natural allies among seniors, labor, housing groups, and other liberal constituencies. In neither state did the tenant organizations achieve this level of self-organization. The tenant constituency was weak, fragmented, and politically isolated.

Although renters represent a majority of the population in most major cities, they represent a minority in the larger population of both Massachusetts and California. Even more important, the number of tenants who would be directly affected by the loss of rent control was a relatively small subcategory of all tenants. In both states, rent control exempted public housing, private developments with project-based subsidies from federal and state government, and units with Section 8 vouchers and certificates. In Massachusetts, in particular, this represents a sizable proportion of the residents of rental housing. In the Boston area, too, the housing stock consists of many two- and three-unit owner-occupied buildings, whose tenants are also exempt from rent regulations. In Cambridge, for example, half of all renters were exempt from rent control. In California, the Costa-Hawkins bill carefully excluded mobile homes, thus eliminating another potential ally in the fight to preserve rent regulations.

One could reasonably argue that the real estate industry had already won the war against rent control when, during the 1970s, it used its political muscle to limit what it called “extreme” or “radical” rent control to a handful of cities in both states. Moreover, in California the Costa-Hawkins bill did not seek to abolish all rent regulations. It allowed cities to adopt or maintain vacancy decontrol provisions. As a result, tenants in the major cities which already had vacancy decontrol—San Francisco, Los Angeles, Oakland, and San Jose—among them—would not be directly affected. Only renters in the small cities of Santa Monica, West Hollywood, Berkeley, East Palo Alto, and Cotati stood to lose protections. In Massachusetts, Question 9 sought to wipe out all rent regulations and the subsequent legislation did the same. But only Boston, Cambridge, and Brookline would be affected by this change in policy, and, by 1994, only Cambridge still had full rent control. Landlords in buildings with decontrolled units in Boston and Brookline, which represented the vast majority of units, had already pushed rents to market levels when units became vacant. Tenants in those decontrolled apartments had little immediate stake in mobilizing to oppose the real estate industry’s deregulation efforts.

By the 1990s, the tenant organizations in Massachusetts and California had been seriously weakened. Housing activists in both states acknowledged that tenants had become “complacent” about the protections they had. Tenant organizations in both states were very fragile, lacking an organized political base. In both states, existing tenant organizations lacked the capacity to mount much more than token mobilization efforts. By the late 1980s, tenant groups in both states had ceased engaging in protest activity (rent strikes, large rallies and demonstrations, and occasionally civil disobedience). Landlords did not feel sufficiently threatened to negotiate directly with tenants or indirectly through elected officials. Even in those cities with strong rent control laws (Santa Monica, Berkeley, East Palo Alto, West Hollywood, and Cambridge), tenant groups could mobilize around election cycles to preserve their regulations, but lacked strong leadership or mass membership.

The passage of Question 9 and the subsequent legislation in Massachusetts led to a flurry of tenant organizing and protest, including threats of rent withholding, but these efforts were episodic and politically ineffective. Ironically, it was the small property owners in Cambridge, through SPOA, that utilized these tactics to mobilize opposition to rent control.

In other words, by the time Question 9 and the Costa-Hawkins bill came along, the tenant constituency was already in a weakened state and unable to mount an effective opposition campaign. Both real estate industry leaders and pro-rent control activists share a common assessment of the state of tenant organizing in the 1990s. One California real estate lobbyist gives credit to Tom Hayden and others, who recognized rent control as an excellent organizing issue during the 1970s and 1980s. “He [Hayden] outworked the other side.” But with Senator Roberti in a position to protect rent control, “the rent control forces never had to assert themselves” and became “complacent.” The real estate industry strategists calculated that by the 1990s, “They [rent control forces] don’t have a constituency any more. It’s just a few activists. Rent control used to be a good political organizing issue. That’s going away now.” A Massachusetts real estate lobbyist had a similar assessment: Tenant groups in the Boston area “don’t have the army” they had in the 1980s.

The deregulation efforts in 1994 and 1995 owe their success, at least in part, to the general decline of tenant organization during the prior decade. In addition, one can see, at least in hindsight, that the pro-rent control forces made some strategic errors in mounting their campaigns to preserve rent control in both states. In Massachusetts, the tenants made what one real estate lobbyist calls a “fatal mistake” to think that Boston, Cambridge and Brookline would deliver a 70 percent or 80 percent margin against Question 9. Another error was to organize much of their anti-Question 5 campaign as a defense of the principle of “home rule.” “Our polling showed that this didn’t resonate with voters.” In California, the pro-rent control forces took Nick Petris’ vote for granted, and were shocked when he cast a key vote for Costa-Hawkins.
External Resources: Money and Allies

Tenant organizations were unable to marshal external resources in the form of money, allies, and sympathetic media coverage. According to one former tenant organizer, now a lobbyist for low-income housing, explained, "We don't have the money to spend on organizing the base." A housing industry lobbyist acknowledged the obstacles to organizing renters: "It's tough. How do you get a mailing list of tenants? It's difficult to do." Most tenants are low- or moderate-income. Real estate industry claims to the contrary, a majority of tenants living in regulated apartments fall into these categories. Even if they have the capacity to recruit members and collect dues—its a complex and labor-intensive task—it is very difficult for organizations with low- and moderate-income constituencies to sustain themselves with dues from members. Thus, if tenant organizations are to hire staff, rent office space, publish and mail newsletters, and undertake the other tasks required of grassroots organizations, they have to attract money from outside sources. Since the early 1980s, this has proved increasingly difficult to do.

The Reagan administration had already changed regulations and eliminated or revised many of the federal programs (such as VISTA, CETA) that had been used to support grassroots tenant organizations of the 1960s and 1970s. It also sharply restricted the federally funded Legal Services Corporation's authority to engage in advocacy activities and work with grassroots organizations. During the 1980s, the major philanthropic foundations concerned with the problems of affordable housing and urban poverty began to shift their grantmaking away from community and tenant organizing (Jenkins and Eckert 1986). Starting in the early 1980s, as the shortage of low-income housing and the increasing visibility of homelessness became public issues, mainstream foundations began to expand their interest in these problems, primarily by funding non-profit community development corporations (CDCs) engaged in the development of low-income housing. Many of these CDCs grew out of tenant and community organizing groups. As foundations changed their grantmaking priorities, however, these organizing groups began to divert their attention toward bricks and mortar development and pay less attention to organizing (Dreier 1998). Most foundations did not consciously seek to co-opt grassroots activists in favor of development, but their funding priorities had that effect.

Thus, when confronted with a major assault on rent regulations in the 1990s, the tenant organizations were organizationally unprepared to respond. To be effective, though would have had to dramatically expand their collaboration with their natural allies who could help mobilize the money, volunteers, and voters. Unfortunately for the tenant forces, these natural allies—tenants in subsidized housing and mobile homes, groups that advocate and provide services for the homeless, non-profit community development corporations, labor unions, consumer organizations, and senior citizens groups—proved to be elusive and did not provide the resources that would have been necessary to mount a winning defense against the rent deregulation forces. These constituency groups could have sent mailings to members, lobbied state legislators through phone calls or letter writing, written letters to local newspapers, donated money, mobilized volunteers to do office work, staffed phone banks, participated in get-out-the-vote efforts, or participated in rallies and public hearings. "On paper, we had everybody and anybody," explained the sole staffperson of the anti-Question 9 campaign. But when it came to providing money or volunteers, "it was pretty sparse... Tenants were mainly on their own." In the case of the Massachusetts campaign against Question 9, more money alone might have made a critical difference, given the narrowness of the ballot measure's victory.

Other factors involving allies played a role in the victories for the Costa-Hawkins bill and Question 9 and its legislative twin. For example, in California, rent control's biggest political supporter, David Roberti, was forced to retire, while there was no doubt that a Republican Governor would sign any anti-rent control bill on his desk. In Massachusetts, rent control's biggest political supporter, Boston Mayor Ray Flynn, left office in July 1993 to become U.S. Ambassador to the Vatican, while Governor Michael Dukakis, who lived in Brookline and would not have signed an anti-rent control law, had been replaced by libertarian Republican William Weld. In Massachusetts, rent control lost a crucial ally when Kirk Scharfenberg, the liberal editorial director of the Globe who had kept the paper's reporting and editorializing sympathetic to tenant issues, died in September 1992. These personnel changes made a difference in the pragmatic political maneuvering that led to rent deregulation.

Legitimacy

Rent control supporters lost the Costa-Hawkins and Question 9 battles primarily because they were outgunned by the real estate industry's superior financial and political resources. There are no public opinion polls to gauge changes over time in rent control's favorable and unfavorable ranking, so it is impossible to say with certainty how the public feels about this policy. But there is little doubt that the real estate industry was successful in discrediting the very idea of rent control. It took a beating as a public policy to address housing problems—if not among the general public, then at least among opinion leaders and elected officials. Rent control has always been controversial, even during World War II when it was imposed to address the housing shortage and help the war effort. During the 1970s, however, rent control was viewed as a policy to protect vulnerable tenants from rising rents and arbitrary evictions perpetrated by greedy landlords. By the 1990s, the real estate industry had succeeded in repositioning, if not completely discrediting, rent control in the public debate as a policy that protected undeserving affluent tenants and abused small property owners.
This did not occur overnight or by accident. It was part of a long-term effort by the real estate industry. Moreover, it occurred in a broader political environment in which active government itself came under assault. During the 1970s and 1980s, corporate America engaged in an ideological assault on government activism (Phillips 1990; Dreier 1982a; Gans 1990). This exacerbated public skepticism about the capacity of government to solve social and economic problems. Indeed, it directly challenged the role that government had played in the private economy. Rent control was a weapon in this battle. It became a convenient symbol of the excesses of government regulation.

The Question 9 ballot measure took place on the same day in November 1994 as what one real estate lobbyist called the “Republican revolution in Congress” which brought a GOP majority in both Houses and led to the elevation of Congressman Newt Gingrich as Speaker of the House. The campaign around the Costa-Hawkins bill in 1995 occurred soon after Governor Pete Wilson had been re-elected and Californians had voted for Proposition 187 (to restrict illegal immigration) and defeated Proposition 186 (to enact single-payer health care reform).

In other words, the changing public mood toward government itself might be considered the background noise in the rent control battle. Real estate and tenant groups then sought to position or frame rent control in ways that would win public sympathy. In the political climate of that period, however, real estate groups had the ideological upper hand. Moreover, they were able to mobilize their substantial resources to take advantage of this situation. As one tenant activist explained, the industry helped frame the issue so that “rent control was seen as the ultimate big government solution” when “big government” was not a term of endearment.

As noted above, the real estate industry over the years has used a number of arguments to attack rent control, but most recently they have sought to emphasize their claim that it does not help—in fact, it hurts—the poor. The industry effectively co-opted the message of rent control advocates by arguing that it primarily benefits affluent renters at the expense of the poor, the elderly, and minorities. Beginning in the mid-1980s, the closely-knit network of conservative think tanks and publications promoted the notion that local rent regulations led to an increase in homelessness. This idea was not only picked up by the mainstream media but used by conservative members of Congress and HUD Secretary Jack Kemp to frame legislation to withhold federal HUD funds to localities with rent control. This persistent drumbeat of negativism toward rent control had a cumulative effect. According to a California real estate lobbyist, “After 10 or 12 years of fighting rent control, I think we could make a compelling argument that this form of rent control did not fulfill its goals. In fact, it had negative impacts. We had studies and census data and experts who could tell this story.”

This public relations effort played up the image of affluent professionals—yuppies—monopolizing rent controlled units and living in subsidized apartments, while, in effect, shutting out more needy renters. The image of West Hollywood, Santa Monica, Cambridge, and Brookline as havens of yuppie affluence reinforced the real estate industry’s propaganda. On the eve of the Costa-Hawkins and Question 9 showdowns, the California Housing Council and the Greater Boston Real Estate Board both sponsored studies that claimed to demonstrate that cities with rent control had seen a decline in the number of minority or low-income residents and/or that residents living in regulated apartments were not primarily low-income. Although these studies had serious methodological flaws, the real estate industry was able to widely disseminate their findings, while tenant advocates flailed away, trying to find academics to poke holes in the studies’ statistical methods. Perhaps even more importantly, the real estate industry was able to humanize this point by identifying some high-profile individuals living in rent regulated apartments. In Massachusetts, the names of Cambridge Mayor Ken Reeves and Supreme Judicial Court Justice Ruth Abrams repeatedly appeared in the news media as examples of the abuses of rent control. “I’m forever grateful to Ken Reeves,” said an industry official.

Real estate interests were so successful at injecting this view into the public debate that news columnists and elected officials repeated it as it were a truism. Senator Ray Haynes (R-Riverside) was quoted as saying, “Rent control deprives the young and the old of affordable housing” (San Jose Mercury News 1995a). Upon signing the bill, Governor Wilson called it “a fundamental issue of fairness for both property owners and those who have artificially been denied access to quality housing” (San Jose Mercury News 1995c). Even a Boston Globe editorial opposing Question 9 repeated the canard that in “Cambridge, the rent control ordinance has indeed been abused by middle-class tenants to can afford to pay market rents” (Boston Globe 1994). In fact, the few newspaper editorials that opposed Costa-Hawkins, Question 9, and Proposition 199 (to abolish rent control for mobile homes) tended to echo the Boston Globe’s view that while rent control itself was problematic, this approach was too blunt an instrument. The tenant groups and their sympathetic politicians had no effective retort to these statements. Even the head of the MTO-led effort was reduced to the defensive posture that rent control is “not a perfect system” and that only a handful of tenants who live in regulated apartments are rich (Manly 1994b).

The real estate industry had learned to use the phrase “extreme” or “radical” rent control to describe the laws in Cambridge, Santa Monica, West Hollywood and Berkeley (Jordan 1995; Inman 1994). By this they meant that it did not allow vacancy decontrol and that it posed a particular hardship for small property owners, who were characterized as “Mom and Pop” landlords. Both the news media and many elected officials picked up this jargon. It helped to frame the issues so that vacancy decontrol became defined as the moderate or compromise version of rent control. The real estate industry cleverly anointed small property owners as the public face of the deregulation campaigns. When they needed people to testify at hearings, to appear on television, or to be interviewed by reporters, they had a battery of small property owners with horror stories to tell. They were the poster children who became the representatives of the anti-rent control forces.
Some (though not all) housing activists acknowledge, in retrospect, that the very strict rent control regulations in Cambridge, Santa Monica, West Hollywood, and Berkeley may have played into the hands of rent control’s opponents. In particular, they cite regulations in Cambridge that prohibited some condominium owners from living in their own units, and regulations in Berkeley that allowed the rent board to require large rent rollbacks because small property owners had misunderstood some technical regulations. No doubt all of these examples can be justified legally and technically by rent board staff and rent control supporters. These examples provided ammunition for their opponents—examples of government abuse that ordinary people could identify with. One Massachusetts tenant activist acknowledges that during the Question 9 campaign, some Brookline and Boston tenant activists thought that “those Cambridge tenants ruined it for all of us” by failing to correct some of the more stringent aspects of that city’s rent control law. He noted that it was no accident that the backlash against rent control was strongest among small property owners in Cambridge, not Brookline and Boston. A California tenant advocate acknowledged that Berkeley’s strict rent control system “pissed off even some sympathizers,” most importantly, Senator Nick Petris. None of these people favored eliminating full rent control in favor of vacancy decontrol. But they argued that by not treating Mom and Pop landlords (small property owners) differently, cities with strong rent control gave the real estate industry ammunition to use against rent control and helped ignite the SPOA rebellion in Cambridge. Also, as noted earlier, the real estate industry was able to stigmatize “radical” rent control by associating it with the unconventional reputations of Berkeley, Santa Monica, West Hollywood, and Cambridge.

As noted earlier, the news media, for the most part, framed the battles over rent control in ways that undermined the tenants’ perspective. The controversy was a constant source of news in the local Santa Monica, Berkeley, Cambridge, and Brookline newspapers, but it was only irregularly covered in the major dailies such as the Globe, Boston Herald, Los Angeles Times, San Jose Mercury-News, San Francisco Chronicle, and others. The Boston papers paid only sporadic attention to the Question 9 campaign until the last weeks. It then covered the battle in the state legislature as an inside politics fight, focusing on the roles of Governor Weld and the key legislators. The Globe did offer some human interest stories, equally balancing the hardships of tenants with those of small property owners. The Boston press paid no attention to the financial contributions of the real estate lobby, or the close connections between SPOA and the major real estate groups; indeed, it emphasized the split between SPOA and GBREB rather than their symbiotic relationship. In comparison, however, the major California media virtually ignored the battle over the Costa-Hawkins bill. They reported the key votes on Costa-Hawkins, but did not cover the legislative maneuverings or the potential consequences of its passage. It was viewed almost entirely as a political story. Not surprisingly, most of the stories about the Costa-Hawkins battle emanated from their bureaus in Sacramento, the state capital, far from where deregulation would have the most impact. (Sacramento does not have any form of rent control). It is not surprising that the battle over rent control received more coverage in Massachusetts than in California. In Massachusetts, Boston is the state capital, the major media market, and the geographic area where all rent control battles have taken place.

CONCLUSION

Rent deregulation began January 1, 1995 in Massachusetts and a year later in California. Too little time has passed to thoroughly analyze the impact of these policy changes on housing markets and housing consumers. Moreover, both laws were designed to be gradually phased in, so the full consequences of deregulation were postponed for several years. There was certainly an increase in housing hardship in the localities that experienced rent deregulation. There have been a number of newspaper articles on the aftermath of deregulation (Rohrlich 1998; Havemann 1998), but there have been no systematic studies of housing conditions in either the Boston metropolitan or Los Angeles metropolitan areas, or in any of the submarkets in which rent deregulation took place. Even if such studies existed, however, it would be difficult to separate the impact of rent deregulation from other factors such as cuts in federal and state housing studies, welfare reform, immigration, population change, and other demographic forces.

It is reasonable to argue that rent deregulation had already taken effect in California and Massachusetts by the late 1970s or early 1980s. In other words, the major cities in both states had already adopted vacancy decontrol policies. Los Angeles, San Francisco, San Jose, and Oakland adopted vacancy decontrol from the beginning. Boston had rent control for five years before it was charged to vacancy decontrol. Other major cities—Worcester, Springfield, New Bedford, Fall River, San Diego, San Bernadino, and others—and most suburbs and small towns never adopted any reform of rent regulations on apartments.

By the mid-1990s, only about 75,000 units out of 4.6 million rental units in California (in Santa Monica, West Hollywood, Berkeley, East Palo Alto, and Cotati) and about 40,000 units out of 915,617 rental units in Massachusetts (in Boston, Cambridge, and Brookline) were under rent control. This is an extremely small proportion of the rental housing stock in both states. The real estate industry had already won the rent control war. Question 9 and the Costa-Hawkins bill were the final battles in a war of attrition.

All tenants in Boston’s 63,000 decontrolled units—including elderly, low-income, and disabled—faced an immediate end to rent regulations in January 1995. In these units, once renters moved out, the Rent Equity Board had regulated rent increases, evictions for just cause and condominium conversion. The Rent Equity Board had no data on the number of low-income, elderly, or handicapped ten-
ants in the 22,000 rent controlled apartments had one- or two-year worth of protections, depending on the size of their buildings. About 8,000 units lost rent control protections after the first year (as of January 1, 1996), and the remainder lost protections a year later (Chacon 1995). Rent control ended for all units on January 1, 1997.

The most likely long-term consequence of rent deregulation in both states is that housing affordable to low- and moderate-income households will decline both in absolute numbers and as a proportion of the rental housing stock in cities where rent control has been or is in the process of being eliminated. As a consequence, rent-to-income ratios for existing and future renters will increase. This will have an importance beyond the household or the housing market; it will mean that renters, with less discretionary income, will spend less on other goods and services, including basic necessities such as food and clothing as well as other items. This will have a negative impact on the larger economy as the effective demand for non-housing goods and services declines. One can expect an increase in overcrowding as tenant households facing rising rent-to-income ratios and lower vacancy rates respond by doubling-up. Even with rising rent-to-income ratios and increased overcrowding, it is likely that the number of low- and moderate-income households will decline in absolute numbers and as a proportion of the populations of formerly rent controlled cities. These communities will lose some of their economic and social diversity. The bonds of community—reflected in social ties—may begin to diminish. It is impossible to put a price-tag or to quantify this aspect of a city’s quality of life.

NOTES

1. The California law not only allows landlords to raise rents for vacant apartments, but also bans controls on new dwellings and permanently exempts single-family homes and condominiums from controls once tenants move out. It also bans rent controls on new construction. The single-family provision effects laws in Los Gatos, Oakland, San Francisco, and Los Angeles. In San Jose, rent control applies only to triplexes and apartment buildings. East Palo Alto, Cotati, and Los Gatos have imposed rent controls on new construction. The laws phases-in the provisions over three years, allowing landlords to raise rents 25 percent every time a tenant moves out—up to twice in three years.

2. Rent regulations on mobile homes are not included in this discussion unless specifically noted.

3. This chapter is not attempted to evaluate rent control as a public policy. Readers are referred to Appelbaum et al. (1991). Other studies reviewed include Arnott (1995); Olsen (1991); Quigley (1990); Murray et al. (1991); Levine et al. (1990); Downs (1988).

4. A year later, similar battle over rent control took place in New York with somewhat different results. Tenants there were able to protect rent control from complete elimination. For a discussion of that conflict, see Dreier (1997).

5. Discussion and examples of the resource mobilization perspective can be found in Lipsky (1979); McCarthy and Zald (1977); Oliver (1984); Morris (1984); Jenkins and Perrow (1977); Morris and Mueller (1992); Jenkins and Klandermans (1995).

6. The discussion of tenant activism draws on Heskin (1983); Dreier (1982b, 1984); Lawson (1986); Marcuse (1980); Baar and Keating (1988); Capek and Gilderbloom (1992); and Wright (1981).

7. Armstrong based his amendment on a highly publicized but equally dubious study by journalist William Tucker, purporting to show that rent control increased homelessness. See Appelbaum et al. (1991).

8. For discussion of the resistance to urban renewal in Boston, see Lupo et al. (1971); Gans (1962); Fellman (1973); O’Connor (1993). For San Francisco, see Hartman (1974).

9. Boston had adopted a voluntary rent control system in 1969 which was superseded by the 1970 law. See Clark (1988).

10. In Boston, where about three-quarters of all residents were renters, rent control was a controversial issue that mobilized considerable political momentum. The Boston law, however, exempted many Boston renters—those in public and HUD-subsidized housing and those in two- and three-unit buildings, which accounted for much of the city’s rental housing stock.

11. Cambridge tenant groups initially tried to enact rent control through a citywide referendum. When that failed, they had more success enacting legislation through the City Council in 1970, the same route followed by the other cities. Cambridge’s law did not allow for vacancy decontrol. Brookline adopted rent control at a Town Meeting in September 1970. It was amended in 1991 when vacancy decontrol was introduced, permanently removing units from regulations. In the late 1970s both localities adopted additional protections from condominium conversions. By 1994, Brookline had 4,200 units subject to control, while in Cambridge about 14,500 to 16,000 units, half the city’s rental stock, was under rent control. See Brelis (1994b).

12. Mayor White further demonstrated his opposition to rent control by appointing people who were against the policy as members of the five-person rent control board. He also kept the agency understaffed and underfunded.

13. A wave of condo conversions in the late 1970s and early 1980s fueled a movement to limit conversions and evictions that led to a mosaic of local ordinances and a statewide law. "Condomania," as the media labeled it, was a symptom of the state’s hot housing market, triggered tenant protest across the state, leading to local—and eventually statewide—laws to protect tenants from arbitrary displacement. MTO also organized residents of mobile home parks. Many smaller cities and towns enacted laws to protect renters in mobile home parks from rent increases and evictions. Throughout the 1980s and early 1990s, MTO also mobilized tenants living in federal- and state-subsidized housing who were threatened with huge rent increases and possible eviction.

14. During its 10 years in office (1984–93), the Flynn administration brought tenant and housing activists into government, adopted stronger tenants’ rights laws and provided funds to encourage tenant organizing. Shortly after assuming office, the Flynn administration introduced comprehensive tenant protection legislation. From the outset, Flynn and his aides recognized that this was an uphill, perhaps impossible, fight. The 1983 City Council elections inaugurated a new system wherein nine members represented geographic districts and four were elected at large. Only three of the nine Council districts had strong tenant organizations, reflecting the location of the city’s private rental housing stock. Only one of the at-large counselors supported Flynn’s plan, reflecting the power of the real estate lobby in the City Council. The tabloid Boston Herald was strongly opposed to rent control in its editorial and news pages. The Boston Globe offered mixed support. Progressive editorial writer Kirk Scharfenberg wrote supportive editorials and columns. To the Globe’s news reporters, however, the rent control story was not about the housing crisis, or the power of the real estate lobby, but about whether the new Mayor could win his controversial proposal. See Dreier (1996); Dreier and Ehrlich (1991); and Dreier and Keating (1990).

15. Tenants in de-controlled apartments (units previously covered by rent control) could initiate a grievance if annual rent increases exceeded 15 percent—a rate substantially higher than the inflation rate. In addition, tenants could only be evicted for “just cause.”
16. In this section, my account relies heavily on an unpublished and undated paper by Patricia Cantor, "Twenty Five Years of Rent Control in Massachusetts," which focuses on Cambridge. A short version of this paper was included in Shelterforce, March/April 1995 under the title, "Massachusetts Defeats Rent Control."  

17. "All my tenants are affluent, every one of them," one Cambridge landlord told the Globe. "There is not one of them that is needy." See Brell 1994c. Another Globe article recounted the situation of a Cambridge landlord who owns a four-family house and has an $8-an-hour job managing a food pantry (Carroll 1994). This story repeated MHC's chief examples of well-off tenants living in regulated apartments—Cambridge Mayor Ken Reeves and Supreme Judicial Court Justice Ruth Abrams. Rent control opponents used the fact that Reeves, who was part of Cambridge's pro-rent control majority on the City Council, lived in a rent controlled apartment, as a symbol of how the system was being abused. Reeves argued that he earned only $43,000 as mayor and that he served full-time, putting his law practice on hold (Manly 1994a).  

18. The study found that in 1987, 70 percent of the residents of rent controlled units had incomes below the Boston area median income ($37,400 for a family of four) and that only 9 percent had incomes above 150 percent of the regional median income ($56,000 for a family of four). But in a classic case of selective perception, SPOA and much of the local media focused on the rent control glass being 30 percent empty rather than 70 percent full. SPOA focused on the study's findings that relatively few rent control tenants were elderly or families with children—overlooking the obvious point that landlords select their tenants. (SPOA also claimed that the study was biased.)  

19. SPOA also sought to challenge Cambridge's rent control law in court, but in March 1993 its suit was dismissed.  

20. Amidst much controversy, the state Attorney General in September 1993 ruled that the measure could appropriately be put before the state's voters, even though it only applied to a few localities.  


22. Obviously, rent control advocates viewed SPOA's efforts as one-sided, as reflected in these observations by Cantor (1995, p. 15):  

Few, if any, stories reported the thousands of tenants able to afford to live in Cambridge only because rent control kept rents at reasonable levels, or how the rent board's rent adjustment formulas strongly favored landlords, or how the removal permit ordinance removed the speculative drive from the rental market, Cambridge was saved from the 1980s' real estate boom (and corresponding bust). No one read about how many of the SPOA landlords were able to buy their buildings because rent control kept property prices down, or how Cambridge retained its economic diversity (avoiding becoming only a place affordable to the rich or the very poor who benefited from subsidized or public housing) because of rent control.  

23. Flynn resigned as mayor in 1993 to become U.S. Ambassador to the Vatican. Menino, the City Council President, replaced him, and then was elected on his own.  

24. They typically asked, why should voters in the other 346 cities and towns in Massachusetts decide whether Boston, Brookline, and Cambridge can enact rent regulations? A number of Democratic legislators who acknowledged their ambivalence or even opposition to the rent control policy nonetheless supported, on the principal of home rule, the right of localities to adopt rent regulations. The real estate industry's chief political operative observed that the tenants' emphasis on home rule was a "tactical error." The industry's polls showed that "this [home rule focus] didn't resonate with voters." Moreover, the tenants made a "fatal mistake" in focusing almost all their organizing on Boston, Cambridge, and Brookline, assuming that three-quarters or more of the voters there would vote against Question 9. In fact, the margin of victory in these three cities was considerably smaller (Shanahan interview). 

25. Real estate forces paid Boston University economist Jeffrey Miron $50,000 for a study, "The Economics of Rent Control," prepared for the Massachusetts Homeowners Coalition, October 4, 1994. They also hired housing researcher Rolf Goette $5,000 to produce a report, released in August, called "Rent Control: Affordable Housing for the Privileged, Not the Poor," which examined rent control in Cambridge. The tenants' force had no money to sponsor a study. They relied on the rent control agencies in the three cities, who could only guesstimate the demographic composition of regulated units. The Cambridge Rent Control Board hired Abt Associates to review Goette's study; Abt criticized its methods, but by the time it reviewed appeared, the MHC had put Goette's findings to good use.  

26. In fact, the total vote was 1,034,594 (46.3 percent) "yes," 980,723 (43.9 percent) "no" and 216,869 (9.7 percent) blank. Among those who cast ballots "yes" or "no," however, Question 9 received 51.3 percent of the vote.  

27. During the legislative phase of the rent control fight, another battle was shaping up in the courts over the legality of Question 9 and other ballot measures. When voters went to the polls on November 8, there were no summaries of each ballot measure describing what a "yes" or "no" vote meant. After the election, tenant advocates (as well as groups engaged in other ballot measures) sought to nullify the election in court on the grounds that it was unconstitutional because voters were not adequately informed. A Suffolk Superior Court judge and a state Appeals Court judge even issued temporary restraining orders against implementation of Question 9, but ultimately a higher court ruled that the measures were valid.  

28. Not surprisingly, the Greater Boston Real Estate Board's Rental Housing Association gave Weld its "Excellence in Public Service Award" for his role in eliminating rent control. See Kindleberger and Cassidy (1995).  

29. Elderly tenants were defined as those with incomes of 60 percent or less than the median income for the Boston SMSA (at that time, $21,500 for a single person). An exception was granted for elderly tenants (62 years or more) and disabled tenants; for them, the eligibility limit was set at 80 percent of median income ($27,950). The incomes of all residents of a unit (household income) was to be counted. Full-time students were not to be considered eligible for protection.  

30. The Globe consistently misinterpreted the law, claiming that it provided temporary protections for elderly and low-income tenants, when in fact only a narrow group of elderly and low-income tenants (in Boston, those who had lived in their units since 1976 and were still under the city's old rent control law) were covered. See, for example, Anand (1995).  

31. Roberti was elected to the Assembly in 1966, representing central Los Angeles. He moved up to the Senate in 1971. He was elected Senate president pro tempore in 1980.  

32. Interview with Steve Carlson, lobbyist for the California Housing Council, May 2, 1997.  

33. Since 1985, bills to weaken rent control in California have carefully exempted mobile homes. This is no accident. In contrast to the tenants movement, residents of mobile homes have been well organized and able to defeat efforts to weaken protections. Mobile home park owners lack the political clout of their counterparts in the real estate industry. As a result, rent regulations affecting mobile homes is widespread and shows little signs of weakening. There are 375,000 mobile homes in California parks with about one million residents. Mobile home owners pushed for local rent control. The first wave of mobile home rent control activity coincided with the general post Proposition 13 groundswell for rent regulation. For example, San Jose adopted rent control for mobile homes in 1979. But unlike the efforts of apartment tenants, the momentum for mobile home rent control persisted in the 1980s and early 1990s. Today, about 140,000 to 250,000 live in rent controlled parks. Eighty-nine cities and counties have adopted mobile home rent control in the state. In fact, during 1994 through 1996, anticipating the state law, a number of cities and some counties passed mobile home rent control laws.  

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47. Petras' vote is difficult to explain. One tenant lobbyist suggested that for many years Petras had supported rent control but was critical of how the Berkeley rent board administered the law, particularly its inflexible regulations toward small landlords. Berkeley tenant activists took Petras' pro-rent control vote for granted, failed to lobby him adequately before the 1995 vote, and were allegedly rude to him during meetings to discuss the Costa/Hawkins bill. Also, since Petras was in his last term in office due to term limits, his vote against rent control had no political repercussions.

48. Interview with George Pillsbury, Director, Money and Politics Project, Commonwealth Coalition (Massachusetts), April 17, 1997. Data from Secretary of State's office.

49. Between April 1991 and October 1993, Costa received at least $70,386 from a variety of industry PACs, including the California Housing Council, the Apartment Association of Greater LA, the California Apartment Association, the California Real Estate PAC, and the Western Mobilehome Association. In 1986, 1987, and 1989 he received honoraria totaling at least $3,000 from the California Housing Council. Source: Hopcraft Communications, March 23, 1994.


51. Booher interview.

52. Carlson interview.

53. Carlson interview.


55. The Massachusetts Tenants Organization, for example, had turned into an advocacy organization rather than a organization capable of large-scale electoral mobilization and mass protest. Funded by foundation grants, with only a handful of staff, few volunteers, and high turnover among leadership, MTO primarily engaged in counseling tenants about their rights and testifying at public hearings. In California, the statewide tenants group, CHAIN, had collapsed in the mid-1980s. So had the Campaign for Economic Democracy, Tom Hayden's statewide consumer group. The major tenants rights group in Los Angeles, the Coalition for Economic Survival, only had three or four staffers who devoted their work primarily to organizing residents of HUD-subsidized projects. Organizations of private housing tenants in San Francisco, Oakland, and other major cities had gone through a similar process of decline.

56. For example, the Globe reported in late January 1995 that "some 125 banner-carrying demonstrators marched through Cambridge yesterday in an effort to organize tenants against rent increases and evictions," but these efforts have little effect. See Saltus (1995). See also, Ferdinand (1985); Lupo (1995).

57. Shanahan interview.

58. This chapter does not discuss the role of litigation and the courts. These obviously played a role in both states in shaping the rent control debate. In the mid-1980s, CHC spearheaded several unsuccessful legal initiatives—including Pennebaker v. City of San Jose and Fisher v. City of Berkeley—to attack rent control. The U.S. Supreme Court rejected their arguments, but the effort required these cities and tenant groups to spend time and resources defending rent control. More recently, in March 1994, apartment owners filed suit against the Santa Monica rent control board. It is one of a series of lawsuits bankrolled by more than $1 million in contributions from landlords. Fifteen cities have some form of rent regulation on apartments; about 100 cities have regulations on mobile homes. Apartment owners teamed up with the Pacific Legal Foundation. The owners funded a study of rent control cities, "trying to show that people who are most needy aren't benefited by rent regulations." "In the past two decades, disgruntled property owners have failed to convince the courts, the Legislature, local officials or voters to turn back existing rent control rules." In California, the push for rent control began in late 1970s have period of soaring rents, fueled by Proposition 13. All the cities that have control enacted them within three years after Proposition 13. California appellate court rules against rent control in the case of Santa Monica Ltd v. Superior Court of Los Angeles. While it didn't rule that rent control is unconstitutional, it sided with landlords about fair compensation and property rights (Imman 1996; Carlson 1995-96).
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