

Has Rent Control Caused Homelessness?

By Michael Millman, Esq.

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I am a liberal/progressive Democrat, and I live in West Los Angeles, several miles west of the UCLA campus. Yes, I'm a member of several or more local Democratic Clubs.

I'm not going to discuss with you the Constitutional concepts of "taking" of private property without due process, a hearing or compensation, as outlined in the First Amendment to the United States Constitution.

I'm going to discuss my family's history with you.. My father was born in Lynn, Massachusetts. For the first six years of his life, he could only speak Yiddish and Hebrew. He did not learn English until perhaps the first or second grade in school.

His sister died when he was young, and his two brothers worked as children to support the family. They were fortunate, as most of his relatives didn't survive the Holocaust and others lived in sections of Russia. My father was deployed in the Pacific Theater in the Infantry. He sustained a wound, actually several and was transported to San Diego for surgery and recovery.

When he was discharged from the military, he had no formal education and of course, there were "quotas" for Jewish persons.

So many Jews who couldn't go to college went into the trades: plumbers, electricians, architects, trash hauling, cement vendors. This vibrant Jewish community thrived in Los Angeles. They were captains of industry. They were prominent in the garment industry and the four largest shoe factories in Los Angeles were owned by prominent Jewish families.

Families Worked and Invested for Education & Retirement

From time to time, these underserved communities, whether Jewish, African-American or Hispanic, were able to buy and acquire some small apartment complexes. Over time, they sold a few and purchased some larger units.

In the Orthodox Jewish communities, the apartment owners of course were Jewish and allowed their neighbors, friends and others in their Synagogues to live in the units for very little money.

Those are the people who you now target for reprehensible and oppressive rent control.

Even my friend and Los Angeles Major, Karen Bass, was able to go through school because her Father owned several apartment complexes and underwrote her education.

How Rent Control Destroys Housing

There is extensive rent control in California: Berkeley, Oakland, San Francisco, Santa Barbara, West Hollywood, Beverly Hills, Culver City, Inglewood, Los Angeles and of course, Santa Monica.

Fifty years ago, when rent control was established in Santa Monica, there were approximately 50,000 apartment units built, of course, to accommodate the thriving airplane manufacturing industry and other industries. Today, there are approximately 23,000 units left after rent control. Los Angeles had 1,600,000 rental units; and today there are less than 600,000. You can evaluate every community and discover that oppressive rent control encourages the owners to sell to developers and units are lost.

In Santa Monica, there was a substantially large Latino/Hispanic/Mexican population, and a very large African-American community. Today, you can count on one hand the number of minority citizens still living in these beach towns!

Stanford Study

Stanford University conducted a survey on rent control two years ago and discovered that the entire city of San Francisco suffered because tenants held onto their units due to the incredible discounts they were paying for rent. There was no turnover. No units available, and to that extent, the rent control caused businesses to terminate.

You could not find inexpensive housing in San Francisco. It simply didn't exist because there were no available units! So, with no supply, the value of rent increased. Same thing happens with gasoline, eggs, toilet paper and all other items when there is a demand and not enough supply. A similar study was conducted at Berkeley, with the same conclusion.

Creates More Problems

When you have a rent control system, you create a BLACK MARKET where people purchase and obtain units to beat the system. It's called "under-the-table money" that well-to-do renters offer managers who have a vacant unit. Yes, it's illegal, but these renters need a place to live. Other less fortunate potential renters are left homeless!

You create an enormous bureaucracy where the rent control commissioners and others try to create programs so that they can hire and employ their nephews, cousins, neighbors and others to do no work, but pretend to do some work to get a paycheck from the cities with these tenant welfare programs!

Conclusion

So, certainly California and Oregon, which have comprehensive rent control laws, do not need Federal intervention.

Two years ago, Minneapolis adopted a rent control protocol, and after a single year, it was discovered that no building permits were issued for the construction of residential income units. None. The rent control ordinance was immediately rescinded and repealed.

If you want to help, immediately revise the Section 8 program (that is currently so despicable) so that the vouchers are readily available and the rental arrangement will be equal to prevailing market rates and the annual rental adjustment will be equal to an increase formula other than CPI. Tenants will pay for water, sewage and trash and one half the cost of any mandatory health protocols.

The inflationary spiral suggests that essential housing services and materials are probably costing us an increase of 18% per year, and cities like West Hollywood, Santa Monica and Los Angeles capped increases for owners at 3%! Does that seem fair or is it just plain stupid to ignore the fact that “tenant welfare” (rent control) caused good people to be homeless?

Michael Millman is an Attorney and a Mar Vista activist and can be reached at (310) 477-1201.

AOA: In addition, we wish all local elected representatives would wake up and realize that any form of rent control and/or moratoriums cause housing shortages and exacerbate our homeless problems. A study of “supply and demand” will prove it to you no matter how liberal or conservative you might be! Government controls and interference with the free market destroys housing! Science proves it. Basic college courses in Economics teach it and politicians buy votes by ignoring it.

Please make a copy of this letter and send it to your favorite elected representatives. Please do not sit there and just read – do your part! Thank you!

To find elected officials in your area, go to <https://myreps.datamade.us> or <https://www.sos.ca.gov/elections/who-are-my-representatives>.

To support the fight against this tenant welfare, please send your donations to the AOA Political Action Committee at 6445 Sepulveda Blvd., Suite 300, Van Nuys, CA 91411. Suggested support is \$100 for each unit you own or at least \$1,000. We'll probably have another ballot attempt (signatures are being gathered now) to limit the rent charged on newly vacant apartments and to destroy protections under Costa Hawkins. It's going to cost our industry millions of dollars to once again defeat their attempt to get more welfare. Let's join together and stop these thieves!