

Rent Control, Affordable Housing, and Unintended Consequences

PRESENTED BY
THE ALBANY PROPERTY RIGHTS ADVOCATES

Flaws in the Commission Report

1. Lack of Notice and Process

- Commission made no direct effort to inform apartment owners nor to solicit input from stakeholders to frame research and arguments.
- Commission demonstrated a willingness to operate outside of important statutes intended to ensure due process.
- Commission is presenting an argument for immediate action even while acknowledging that it may require substantially more study.
- Entire process has been mismanaged.

2. Lack of Relevant and Supported Data

- Misleading assertion that median rent in Albany is \$3,100/month.
- Recommendations for city-wide rent control would only apply to 21.4% of housing units (no condos or single-family homes).
- Study offers no independent information as to what the median rent or average annual rent increase is.
- Commission fails to present statistics which are accurate or capable of withstanding even cursory independent review.

3. No Evidence of Emergency Status

- Enactment of a moratorium can only be justified upon clear and convincing evidence of a true state of emergency.
- Assumptions of the existence of an emergency based upon flawed statistical conclusions and a small number of complaints does not create an actual state of emergency.
- APRA's findings indicate that the average rent in Albany is \$1,637 per month based upon 551 housing units surveyed (opposed to the \$3,100 per month figure presented by the Commission).
- Council has no justification for implementation of any rent moratorium or other preventative measures at this time.

4. Absence of Impact Study

- No consideration is being presented as to whether or not the measures as proposed would be effective.
- Commission ignores the potential for negative or unintended consequences resulting from rent control.
- Before it undertakes any action that will irreversibly impact the lives of the citizens of Albany, the Council must become properly informed of the underlying issues.

5. Misleading Conclusions

- The report of the Commission includes a number of misleading and deceptive statements.
- The findings presented by the Commission are not sufficiently developed for the Council to consider any policy action.
- The Council should mandate that this review process be overhauled and recommenced under the direction of stakeholders with appropriate experience to complete an objective and properly founded study.

Real Considerations and Arguments

1. The Economics of Rent Control

If rent control is implemented, including any form of moratorium or just cause evictions, a number of unanticipated and undesirable issues are likely to arise:

- Dropping property values and tax revenues
- Reduced investments in new housing development
- Disincentive to maintain properties and perform upkeep
- Lack of residential beautification projects
- Declining local diversity and reduced housing availability
- Loss of recourse for unwanted tenancies

2. The Social Aspects of Rent Control

- Rent control significantly increases landlord-tenant related litigation.
- Small-time property owners who own one or two properties are often forced out of the market due to rent control.
- Under rent control, property owners are less likely to maintain their properties, which may lead to increased landlord-tenant hostility.
- Conversely, in the absence of rent control, property owners tend to devote more time and effort to ensuring that their properties are maintained.

Albany Housing Units (U.S. Census 2010)

Housing Units	Subject to Rent Control	Not Subject to Rent Control
Single Family	0	4,295
UC Village	0	974
Condos on Pierce Street	0	825
Condos not on Pierce Street	0	61
Apartments	1,678	0
Totals	1,678	6,155
Percentage	21.4%	78.6%

Rent Survey

Rent survey of 1, 2, and 3 bedroom units and studios in Albany, with rents as of September 1, 2016. A total of 551 housing units are included in the survey below:

Housing Unit	Buildings in Survey	Units in Survey	Average Rent
One bedroom	30	239	\$1,426.00
Two bedroom	33	270	\$1,768.00
Three bedroom	11	30	\$2,378.00
Studios	4	12	\$1,034.00

The average rent in Albany is \$1,637 per month for the 551 housing units included in the survey.

Looking Forward

1. Alternative Solutions / A Better Approach

- Support for the affordable housing bond (Proposition A1).
- Public subsidies for building improvements available to landlords who maintain below market rents.
- Assistance fund for tenants experiencing financial hardship.
- City website for home-share advertisements.
- Incentives for both landlords and tenants who enter into multi-year leases.
- Creation of an affordable housing resource center for tenants.

2. Concluding Remarks

- Albany should not want to become Berkeley.
- Rent control does not address the lack of affordable housing.
- Rent control serves as a disincentive to maintain and build new properties and further reduces the supply of property on the market.
- Serious efforts should be made to build more affordable housing.
- Albany is a closely knit and progressive city and we firmly believe that we can work together to make creative and progressive solutions a reality.

Thank you

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