

From: [Cat Zwicker](#)
To: [HHS Exhibits](#)
Subject: Rent Control: :Helping renters today at the expense of renters tomorrow.
Date: Thursday, February 14, 2019 8:08:26 PM

Any policy that restricts the financial viability and growth of investment property, which is what apartments and rentals are, is doomed to failure in the long run in a free market economy. As shown in the [Stanford analysis](#) and as reported in the New York Times it has been "found that rent control accelerated the gentrification of San Francisco's Mission District by encouraging landlords to convert rental housing into higher-end condominiums and cooperatives. While (rent control is) helping to stem economic displacement in the short term, it leads to long-term problems by encouraging landlords to exit the rental business, and future landlords to not enter further diminishing the rental housing base. And it can divert resources from low-income renters to those with moderate and even high incomes. In a [2002](#) study, San Francisco found that about a quarter of its rent-controlled units were occupied by households with incomes over \$100,000. That number has to be much higher today."

Limited housing availability hampered by overly restrictive zoning and land use laws that deter the creation of more housing units is just one part of the problem. When a commodity is in limited supply and there is more demand the cost naturally rises. By building more houses we create more competition in price and more viability in rental pricing. "California is one of the nation's most heavily regulated building markets, and has under produced housing for decades. The state ranks [49th of 50](#) (above Utah) in the number of housing units per capita. Fewer homes = higher prices."(Quoted items from NYT 'Why Rent control is a Lightning Rod')

The questions should not be how to force the market to support lower rents, but how to create and build housing that meets the needs of all economic backgrounds. Forcing those that have (landlords/investors with rental properties) to defer to those that don't will create a negative economic backlash with many investors seeking to liquidate their "rent controlled" portfolios and move their cash to the 35+ states that do not have such limitations.

Yes, we need affordable housing, but rent control is the wrong answer and will create more problems than it will solve in the long run.

Catherine Zwicker
Redmond, Oregon