

# Universal Rent Control Now

BY

AMEE CHEW / KATIE GOLDSTEIN

Ignore the neoliberal naysayers – rent control is an important tool in our battle for housing justice. We need universal rent control now.

Rent control is making a comeback. Across the country, tenants and housing justice organizers are taking on the mighty real estate lobby and its political allies through a powerful escalation of legislative and electoral activity. Oregon enacted a statewide rent cap in February. In Florida, Colorado, Illinois, and Nevada, state legislators introduced bills to lift bans against rent control. And in California, despite the defeat of Prop 10 — which would have allowed the expansion of rent control — another package of legislation has been introduced that would remove state-level restrictions on rent control, make eviction protections widespread, and prevent rent gouging.

Chicago-area voters have voted overwhelmingly three times now for rent control, while in November, the New York state senate flipped from red to blue largely on a “universal rent control” platform. Federally, Senator Elizabeth Warren has included incentives for localities to pass rent control in her new housing bill.

We face the worst renter crisis in a generation. The market has never met the needs of low-income renters, and production is increasingly geared at the luxury end. The largest corporate landlords have gained an unprecedented share of rental properties, while the deregulation of Wall Street has fueled heightened speculation. In this context, big real estate has poured tremendous funding into public relations campaigns that allege rent control hurts renters. But powerful tenant, community, and political organizing is pushing back and demanding housing policies that are accountable to tenants’ needs.

The Center for Popular Democracy, the Right to the City Alliance, and PolicyLink recently released a report, “Our Homes, Our Future,” to highlight the critical importance of rent control. Our networks actively support tenant organizing across the country. In this report and through our affiliates’ organizing, we demand that policymakers put human needs first.

Rent control matches the size and urgency of the renter crisis. Few other policies can offer meaningful relief that is as quick and far-reaching. If rent control campaigns underway in six

states and two cities succeed, 12.7 million renter households would be stabilized — at little to no cost to government. If adopted nationally, 42 million households could be stabilized. Rent control operates by setting a predictable schedule for allowed rent increases, usually a maximum percentage. In cities where rent control already exists, it is often the largest source of affordable housing. Strengthening and expanding rent control would help move us towards a more equitable, inclusive economy and society.

Jacqueline Luther, a renter in Los Angeles, puts it this way: “We need stronger rent control, to live our best lives.”

## A Policy That Works

Rent control works — it effectively increases housing stability and affordability. It reaches those in need, disproportionately benefiting low-income tenants, people of color, immigrants, seniors, women-headed households, and those with disabilities. The stronger and more universal controls are, the better it is at helping the most marginalized.

Rent control is first and foremost a tool that slows displacement. It helps alleviate the churn of forced moves and evictions that plague low-income tenants. It buys time for low-income communities of color under pressure from gentrification, by countering the displacement caused by rapidly rising rents — and importantly, here it is able to intervene rapidly, before it’s too late. If we instead rely on new construction, which is overwhelmingly geared at the luxury end, to “trickle down” to promote affordability, it will be too late.

In “hot” housing markets like San Francisco and New York City, few low-income households would remain in gentrifying areas were it not for rent control and public housing. As Phara Souffrant, a Caribbean-American resident of Brooklyn and leader in the Crown Heights Tenant Union says, “It’s not just about the money. It’s about having a ground to stand on.”

Immediately after Los Angeles adopted rent control, the share of renters who moved in the prior twelve months decreased by 37%, with the rates dropping most for black and Latino renters. In Manhattan, tenants in rent-regulated units were ten times as likely as those in market-rate units to have lived in their homes for twenty years or more (35% compared with 3%). Similar results were seen after the Santa Monica passage of rent control.

Yet in mainstream policy circles, stability as a vital benefit of rent control is neglected. Homeowners’ role in “anchoring” neighborhoods is typically celebrated. But for renters,

economists have traditionally framed rent control's success in improving housing stability as bad — a sign of “lack of mobility” and of “inefficiency” in the allocation of housing units.

Yet for many low-income tenants, “mobility” isn't a choice, but a violent process of displacement. In the words of Vaughn Armour, a black senior in Brooklyn and leader in New York Communities for Change's campaign for universal rent control, “If I didn't have rent-stabilized housing, I'd be in a shelter or in the street.”

If rent control were expanded, the majority of beneficiaries would be low-income. In Los Angeles, low-income households, and black renters, gained the greatest savings after rent stabilization's passage. Rent control reaches low-income immigrants who are not eligible for government housing assistance. It helps slow the displacement of families with children.

When renters thrive, they lift up their communities. Cost-savings on rent would give low-income renters more resources to spend, boosting local economies. Stable, affordable housing would promote better health, educational outcomes, and job retention. It would foster recovery from illness and be protective against domestic and sexual abuse. Whereas gentrification is linked to decreased voter turnout among historically disenfranchised groups, stability would help enable strengthened social networks, community institutions, and democratic participation. “It's not just a renters' issue,” says Adrian Leong, an organizer with the Chinese Progressive Association in San Francisco, who recognizes how vital low-income housing is to preserving Chinatown. “We all rely on rent control, to have a vibrant community.”

Rent control supports undervalued reproductive, domestic, and care labor that is vital to the fabric of society. “The type of work I did, you can't make much money — you have to do it from your heart,” shared Gwendolyn Viola Fox Bibins, a social worker, active member of the Crown Heights Tenant Union, and Caribbean-American immigrant who has lived in the same Brooklyn home for thirty-five years. “A rent-stabilized apartment allowed me breathing space,” she says, and now despite her meager savings, it ensures a place to retire. Luther, a former foster-care youth, attained her Master's in therapy while living in rent-stabilized housing. But her sister, not as lucky to find stabilized housing, was pushed into homelessness.

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## On “Unintended Consequences”

The common argument against rent control goes like this: according to supply-side economics, any kind of rent regulation will dampen construction and supply. Thus, rent control's opponents say, it will ultimately lead to a worse housing shortage, and hence, even higher rents, especially for uncontrolled units.

Crucially, rent control does not, on balance, cause rents in non-regulated units to increase. Rent control is not the driver of speculation, gentrification, or a housing shortage. In Massachusetts, California, and New Jersey, rent control slightly improved affordability in noncontrolled units or had no harmful effect on these rents. The evidence shows it's lifting or loosening rent control that fuels skyrocketing rents across the board.

Empirical evidence shows that rent control does not hurt housing construction. In fact, the two can go hand-in-hand. Firstly, in the US rent controls don't cover new construction anyway. But also, the housing market is more complicated than Econ 101 theory — overall market conditions and zoning have far greater influence on construction. And whereas housing debates focus largely on private construction, there's also the option of pairing rent control with massive *public* construction to turn housing shortages into surpluses by building public and social housing, at far greater speed than the private market.

Rent control does not necessarily lead to declines in maintenance, either. While the research can appear ambiguous, it is important to distinguish improvements in buildings' cosmetic appearance from functional maintenance that is critical to health and safety. When rent control is abolished or weakened, we've seen increased gentrification and the cosmetic building improvements associated with it. However, studies show that rent control had no negative impact on plumbing, an indicator of functional maintenance, or on abandonment. In Washington DC, the share of physically deficient units *declined* after rent stabilization was implemented; and rent-controlled units were even less likely to be deficient than non-controlled units, despite the latter being more expensive.

Many tenants report that rent control, combined with strong code enforcement, gives them the legal mechanisms and leverage to attain improved conditions – for example, by putting rent in escrow until landlords respond to repair demands. Without protection, tenants often fear asking for repairs, because eviction through rent increases can always be the retaliation.

Opponents say that compared to means-tested subsidies, rent control is “inefficient” at helping the needy, because any tenant gains are canceled by landlord losses. But whereas the largest corporate landlords would hardly miss \$1,000, this amount is significant for low-income households. Economists' cost-benefit analyses, which only compare dollar amounts and not their human impact, ignore such distinctions. Nor do they typically include the costs to the government or public of homelessness and displacement. Rent control helps stretch limited,

means-tested subsidies, which reach only a small fraction of those in need, and with its more universal scope, can promote social equity on a larger scale.

## Vacancy Decontrol

Rent control is most effective at keeping housing affordable for low-income tenants when it's strong and covers as many units as possible. In the United States, rent control's shortcomings are oftentimes due to its lack of teeth, as over the decades, landlords and their allies in office have rolled back or watered down existing regulations (e.g. by imposing vacancy decontrol).

In California and elsewhere, rent stabilization laws permit rents to be raised without restriction, back up to market-rate, each time a tenant moves out — a provision called “vacancy decontrol.” This poison pill, imposed throughout California in 1995 and increasingly inserted in rent regulations since the 1970s, has drastically reduced affordability. In Santa Monica, before vacancy decontrol, rents for 83 percent of controlled units were affordable to low-income households; after vacancy decontrol, less than 4 percent of stabilized rental units remained affordable to such households.

“High rent vacancy decontrol,” which permanently decontrols stock once rents reach a certain threshold, has caused the hemorrhage of over 155,000 rent-regulated units in New York City since 1994. What's more, vacancy decontrol encourages landlords to find ways to force tenants out so they can raise rent without limitation.

Today's housing affordability crisis is driven by our overreliance on the for-profit market to provide most housing, and the growth of speculation — a direct result of the deregulation of Wall Street's role in real estate. The market has never met the needs of low-income renters, and production is increasingly geared at the luxury end.

Most new construction, even much of what passes as “affordable” housing, is nowhere close to the scale and depth of affordability needed. Truly meeting renters' needs would require mass public investment in preservation and construction at all governmental levels.

When strong, rent control can help to dampen speculation. However, truly curbing the dominance of speculative influences on rents, and ensuring broad, long-term affordability, requires that controls be paired with other interventions: massive investment in public housing and subsidies, as well as policies that limit speculative practices. Over the decades, rent-controlled stock shrinks, whether because buildings naturally age and grow decrepit, or because

of removals by loophole. In order for rent control to retain its coverage over a broad portion of stock, controlled stock must be replenished through the continual inclusion of newer buildings.

Rent control preserves and deepens affordability, but by itself does not produce new units – so public construction must step in. Other policies like regulating Wall Street, public banking, vacancy taxes, and community land trusts must be employed to limit and dismantle the mechanisms of real estate speculation.

Rent control is a basis for building renter power. Movements will only grow as conditions worsen for renters, and tenants organize to protect their homes and communities. The stakes are high, and the real estate opposition is enormous – but there is great urgency for policymakers to rise to this political moment for rent control, for renters, and for a more just housing market.

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Read the [“Our Home, Our Futures”](#) report here.

#### **ABOUT THE AUTHOR**

Amee Chew has a doctorate in American studies and ethnicity and is a Mellon-ACLS Public Fellow.

Katie Goldstein is a senior national organizer at the Center for Popular Democracy.

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