

RENT CONTROL AND RENT REGISTRY LETTER

Dear Councilmember,

Recently, I have become aware of another effort to enact a 2-4% cap on rent increases and enactment of a city ordinance to create a rent registry within the City of Santa Barbara.

Rent control does not equal affordable housing

There is over 40 years of data on the effects of rent control on housing in California. Two perfect examples are San Francisco and Santa Monica. Both have been under rent control since 1979. Both have rapidly rising rents, much higher median rent prices than Santa Barbara, insufficient supply of housing and a homelessness crisis. Now I am sure you will hear from some that Santa Barbara rents are high compared to other areas. What you cannot do is compare rents in areas like Bakersfield, Phoenix, or rural cities across America. Of course, they are higher here. Santa Barbara is one of the most desirable places to live on the planet and that hopefully will not change. As a result, everything here costs more, not just housing. Building costs are twice what they are in those areas, so are taxes, insurance, and the list goes on. This also includes things like food, utilities and gasoline, which are as much a “human right” as housing and none of these are subject to price fixing and are going up just like everything else.

You cannot fix this problem with rent control and if you try, not only will it drive up rents in the long term, it will result in other serious unintended consequences. A couple that come to mind:

- You will drive the small property owners out of business. Costs affecting the landlords (insurance, utilities, taxes, repairs, maintenance, etc.,) have skyrocketed well beyond inflation. The days of low inflation are over and this is not going to end soon. Even the Federal Reserve is backing off of the prediction that it is transient. Combine this with the recent increases in property values and high demand, a lot of small property owners will just sell out to corporations that are currently buying up rental property. Do you think corporate ownership will benefit renters and our community?
- Properties in the Coastal Zone will be converted to short term rentals in order to stay profitable for the property owner. This will substantially take down inventory and will hit several of the districts you represent.
- Landlords will have to cut back on costs. For example, I installed an electric vehicle charging outlet for a unit at a cost of \$800 to support my tenant's eV purchase. In case you were thinking this cost is covered by any program, it isn't. This was good for my tenant, for the community and most important, the environment. If we were under the proposed rent control, I would not have considered doing this. This just one example.
- In the past, most small mom and pops did not raise rents every year. When you start capping rents at these ridiculously low levels, annual rent increases will become

automatic. Housing providers will have to do this to insure they don't fall behind by being nice to good tenants.

- Rent registries just add bureaucracy and cost which ultimately will be passed on to the renter.

I do agree the lack of affordable housing for lower income members of our community is a problem. But implementing a method that has proven to fail is not the right answer. Affordable housing has to be designed and built for this purpose and just 10 or 20 units. There are strategies to do this. Los Angeles, for example, launched an effort to build \$100,000 units. Do this on already Government owned land and you have a viable approach.

What is being proposed will have a seriously detrimental effect on our community. I urge you to not support this initiative without fully vetting the consequences, obtaining input from more than the single special interest group who has been pushing for rent control, and without looking at effective alternatives.

Best regards,

SBRPA Member