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Council Fumbling on Rent Control Invites a Ballot Initiative

By JEFF COHEN and MIDGE PURCELL

Last month, the Los Angeles City Council, bowing to landlord pressure, launched a sneak attack on rent control. But this city's tenants have demonstrated that they will not easily relinquish their rights to a minority of flag-waving landlords. They inundated the offices of council members and Mayor Tom Bradley with thousands of angry letters and telephone calls; hundreds turned out for last Tuesday's council session.

Throughout this latest confrontation, landlords have draped themselves in Old Glory, while disregarding one of the founding principles of the Sons of Liberty—that no one should be evicted from his home without "just cause." It took the tenants of Los Angeles until 1978 to win this right. Now both rent control and protection from arbitrary evictions are under siege.

If rent control were phased out, we could expect a return of the pre-May, 1978, rental housing market, in which speculators feverishly bought and sold apartments and had their wheeling and dealing subsidized by tenants paying ever-increasing rents.

Instead of discussing a phase-out of rent control, the City Council should be considering ways to strengthen the current law, a stopgap measure that went into effect at a time of unbridled price speculation, an acute housing shortage and a Proposition 13 windfall for landlords.

The most obvious weakness in the current law is "vacancy decontrol," the provision that allows landlords to raise the rent as high as the market will bear after an apartment becomes vacant. (Subsequent rent increases are limited to 7% a year.) Vacancy decontrol actually encourages unscrupulous landlords to force tenants out of their homes. Even though the law requires "just cause" for evictions, a landlord can circumvent this restriction by claiming that a relative will replace the current tenant or that he has plans for major renovations. It is

nearly impossible for a tenant to disprove these claims before being evicted. Or a landlord can simply cease or slow down repairs, or resort to other forms of harassment to induce a tenant to vacate "voluntarily."

Another weakness in the current law is that it does not protect tenants of rented homes (single-family units).

Behind all the recent flag-waving in City Hall stands the naked power of the well-financed landlord lobby. It is no secret, for example, that one of its leaders, H. Randall Stoke, drafted the recent phase-out legislation. What is not as widely understood is that the landlords' case against rent control rests on a foundation of myths.

The landlords claim that rent control puts a damper on new apartment construction. The fact is that newly constructed units have always been exempt from rent control. Furthermore, the acute housing shortage existed years before there was any discussion of rent control in Los Angeles, and it persists in neighboring cities where there is no control. According to Councilman Ernani Bernardi, since 1976 new apartment construction has fallen drastically in Ventura, Orange and San Diego counties, where there is no rent control. At the same time, it has increased slightly in Los Angeles County, which contains several rent-controlled cities. The real barriers to new construction are high interest rates and inflated land and construction costs.

The landlords claim that rent control discourages apartment maintenance. The fact is that both studies commissioned by the city of Los Angeles—one done by the Rand Corp., the other by UCLA—showed that overall maintenance has increased since rent control. One reason might be that a tenant who is protected from an arbitrary eviction is less reluctant to request repairs. Also, since rent control curtails speculation in housing, landlords holding onto their

property may be more inclined to make repairs.

The landlords claim that with their increased costs they can no longer make a fair profit. In reality, the Los Angeles ordinance guarantees the landlord the same level of profit he enjoyed before rent control. If the landlord's profit drops below its May, 1978, level, he is entitled to a "just and reasonable" increase. Since rent control was enacted, only 70 landlords applied for this increase, and only five were granted. Furthermore, the city's rent-control law allows an automatic 7% increase per year, plus increases to cover rising utility bills or major repair costs.

The 1.5 million tenants in the city of Los Angeles are a sleeping giant on the verge of a political awakening. If stripped of rent protection by the City Council, tenant groups will go directly to the voters to get an even tougher rent control initiative like the one passed in Santa Monica.

The rhetoric put forward by landlords and their political allies equating Americanism with the right to generate unrestrained profit has serious long-term implications. Elected officials who ignore the needs of half of their constituents in order to protect the interests of a well-heeled lobby face the effect of an increasingly cohesive tenant movement—and this applies to those now seeking statewide office.

Although tenant groups have not resorted to displays of flag-waving, they proclaim another right of Americanism: the right to be secure in one's home. This right can only be protected by a strengthened rent-control law.

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