



LEGISLATIVE ANALYST REPORT

March 3, 2000

TO: Honorable Members of the Board of Supervisors
FROM: Clarice Duma, Sr. Legislative Analyst
HEARING: Finance and Labor Committee
HEARING DATE: March 8, 2000
RE: Study of Housing in San Francisco (File 99-1412)
General Fund Appropriation for a Housing Study (File 99-1413)

Summary of Proposed Legislation

Study of Housing in San Francisco (File 99-1412)

Legislation introduced before the San Francisco Board of Supervisors directs the Rent Stabilization and Arbitration Board to obtain a neutral, comprehensive, fact-based, and socio-economic study of housing in San Francisco. Additionally, the study must be completed within a year. Further, the proposed legislation requires that substantive amendments to the Rent Ordinance and various housing ordinances must be supported by a fact-based study and its findings.

General Fund Appropriation for a Housing Study (File 99-1413)

The proposed legislation appropriates \$175,000 from the General Fund Reserve to the Rent Arbitration Board to fund the study referenced above in File 99-1412.

Summary of Requested Action

The Board of Supervisors has, by motion, requested the Office of the Legislative Analyst (OLA) to provide the following services: supply information on cities that implement rent control laws; describe the relationship between population growth and vacancy rates; and further, provide information on studies that have been conducted regarding rent control, and report findings, costs and data sources employed in those studies.

Executive Summary

Residential rent control or rent stabilization is current policy in a few cities that are located in New York, New Jersey and California. Concerns over the condition and costs (for tenants and landlords) of regulated units has prompted numerous independent studies by governmental agencies, real estate trade groups, and advocates of rent control and rent stabilization. The cost of conducting these studies varies - depending on the scope, and can range from \$30,000 (study by the City of Berkeley) to over \$3 million (New York City study).

Currently, New York City (NYC) is the only jurisdiction in the nation whose State and local legislation requires a comprehensive housing study of that city's residential units. These studies, begun in 1965, are conducted every three years by the U.S. Census Bureau under the sponsorship of the New York City Department of Housing Preservation and Development. The NYC study - known as the Housing and Vacancy Survey - provides data on housing condition, tenant and owner occupancy, resident profile, household income, rental costs, and other housing-related information and trends. The study's findings enable the local City Council to determine future policy in relation to New York City's various housing programs. Unlike other housing studies which tend to be clouded in bias and limited in scope, the New York City HVS study - as an objective and comprehensive analysis of that City's housing conditions - can be a useful model for policy makers in San Francisco.

Background: Cities with Rent Regulation Laws

Various forms of rent regulation such as rent control and rent stabilization have been in effect in the United States for over 50 years, with New York being the oldest jurisdiction to enact rent regulation laws. In recent years, many municipalities have been reassessing their rent regulation laws for efficacy and effectiveness. Rent regulation has either been eliminated in some jurisdictions (for example, Massachusetts) or limited by instituting vacancy decontrol. To date, limited rent control/stabilization remains policy for municipalities in three states -- New York, New Jersey and California, all of which now have vacancy decontrol with recontrol.

- ***New York State*** - The majority of New York's rent-stabilized units are in New York City (NYC) where Rent Stabilization applies to 52% of all apartments with 6 or more units built before 1974. A few counties outside New York City also implement rent control, including upstate in Albany and Buffalo. While rent regulated has been policy in New York since World War II, vacancy decontrol has been law since 1971. Additionally, State law does not automatically subject new construction to rent stabilization, but grants that discretion to landlords.
- ***New Jersey*** - In New Jersey, rent control is largely administered by municipalities at the local level, some of whom have begun instituting vacancy decontrol. The state has also considered revising its rent control laws, by "means test" provisions for senior tenants, and by suspending property tax abatements for rent controlled buildings.
- ***California*** - Since the institution of rent control in the 1970s, there have been numerous attempts locally and at the state level to limit (through vacancy decontrol) or eliminate rent control entirely. The Costa-Hawkins Rental Housing Act, which began impacting rents in 1995, not only institutes vacancy decontrol (in cities that did not already have it), but also allows landlords to increase rents to market rates on vacant units. To date, limited rent control remains in the cities of San Francisco, Berkeley, Santa Monica, West Hollywood, Los Angeles, East Palo Alto, Hayward and San Jose. In some cities, including San Jose, Hayward and Cotati, rent control laws only affect mobile homes.

Population Growth and Vacancy Rates

The debate over population growth, as translated into housing demand and vacancy rates is largely based in economic theories addressing the supply of and demand for commodities in the marketplace. With regard to housing supply in cities with regulated rents, analysts have examined

the impact of rental housing delivery systems on local communities. Some analysts believe that rent control policies constrain the supply of rental housing and consequently, contribute to low vacancy rates. They point out that in areas without rent control, vacancy rates tend to be “normal” - at or above 4 percent; whereas, in rent-controlled cities, vacancy rates are generally lower, thus indicating a housing shortage. They add that when there is a shortage in housing supply, rents (in unregulated units) tend to be higher. Other analysts view high rents as symptomatic of an insufficient housing supply relative to demand, and instead, suggest that increasing the supply (of housing) - for example, through new construction, addresses the demand for housing.

The Cost of Studies

Numerous studies have been conducted over the years on the effects of rent control or rent stabilization in areas with regulated rents. The costs of these studies can vary - ranging from \$30,000 (Berkeley study), to \$300,000 (Los Angeles study), to \$3.7 million (New York City study). Costs also depend on the scope of the study.

Professor Allan Heskin, in UCLA’s Urban Planning Department, states that cost is usually determined by the demands of the study - including the scope and time it takes to complete the study. For example, if a non-comprehensive study requires an opinion survey, a minimum of 500 respondents can be sufficient for obtaining the data. Professor Heskin adds that, under those conditions, it is generally “fair” to estimate a cost of \$100.00 per interview, or \$50,000 for 500 interviews. He adds that data gathering for such studies can be completed in approximately three months, and additional time is needed to draft and issue a report of findings.

In contrast, a comprehensive study, such as the New York City Housing and Vacancy Survey (HVS), tends to have a larger scope and to require a longer period to complete. As indicated in the attached appendix, the New York HVS requires up to 5 months to gather the survey data, and another 6 to 7 months for the Census Bureau to deliver a report of findings. to the sponsor, the New York City Department of Housing Preservation and Development.

Studies of Rent Regulation in the United States

The attached table summarizes housing studies conducted in various jurisdictions which were reviewed by the Office of the Legislative Analyst (OLA). Studies are summarized according to the area of study, sponsors and authors of the studies, title of the study, area of focus, data and sources, findings, and study conclusions.

Study Areas

The OLA reviewed studies conducted in Honolulu, Berkeley, New York (State and City), New Jersey, and Santa Monica. New York, which has the longest history of rent regulation, has conducted a majority of these studies. That is due, in part, to provisions in New York City’s housing regulations which require a regular analysis of the City’s rent stabilized housing by utilizing data collected by the U.S. Census Bureau (the “Census Bureau), as discussed earlier and in the attached appendix.

Study Sponsors & Authors

Various entities in the public and private sectors have shown interest in conducting studies on rent control and other housing regulations. Public agencies, under fire from landlord groups and some elected officials, have been utilizing their own staff or retaining private firms to examine the effects of rent control and other housing ordinances on the local housing market. Landlord groups, such as the National Multi Housing Council (NMHC) and the Rent Stabilization Association, have also expended their resources and retained economists in private firms and in academic settings, such as the Massachusetts Institute of Technology (MIT), to study various aspects of rent control.

Intent of Studies

Studies of rent regulations that were reviewed by the Office of the Legislative Analyst (OLA) reflect concern by both proponents and opponents about the efficacy of rent regulation as a policy for addressing housing affordability. However, since rent control and rent stabilization have become controversial issues, our analysis indicates that the methodology and conclusions of most studies tends to reflect the bias of the sponsors.

As illustrated in the attached table, the content of studies varies and reflects the interests of sponsors in the following ways:

- Some cities have commissioned studies in order to provide their policy makers with information that enables them to make decisions about adopting rent control as local policy. For example, the London Group Realty Advisors, which was retained by Honolulu's Department of Housing and Community Development, evaluated the experience of other cities in relation to rent control and made policy recommendations to officials in Honolulu.
- Government-sponsored studies, such as those by Berkeley, Santa Monica, and New York City, reflect concern on the part of public officials about the effects of rent control policies on tenant occupancy. These studies also assess the effectiveness of rent control policies in meeting affordability goals, and whether local Rent Boards grant sufficient rental increases (Maximum Allowable Rents) to landlords for annual inflationary increases and for other rent adjustments resulting from building repairs or capital improvements.
- Studies by landlord trade groups such as the National Multi Housing Council and the Rent Stabilization Association, joined by other opponents of rent regulation, such as the Cato Institute, reflect concern about the impact of rent control on the investment quality of rental properties.

Data Sources:

As shown in the attached table, data and sources for conducting studies are numerous:

- **Census Data** - Data from the United States Census Bureau have been utilized by almost all interested parties, including groups in Berkeley, New York City, New Jersey, and various cities in California. Census data include information on median rents and rent levels, tenant composition and tenant mobility in rental units, new construction, and the composition of the housing inventory in rental and owner-occupied units. Because the data are updated every decade, its value and accuracy diminish over time. Already, most people are already anticipating the 2000 Census data, which will be available in 2001. New products by the Census Bureau, such as the American Community Survey, may also be helpful, once they are available in areas such as San Francisco, in providing timely housing data.
- **New York City Housing and Vacancy Surveys (NYCHVS)** - Rent stabilization studies on New York City are generally reliant on data from the New York City Housing and Vacancy Survey

City Hall ♦ 1 Dr. Carlton B. Goodlett Place, Room 244 ♦ San Francisco, California 94102-4689
Telephone (415) 554-5184 ♦ Fax (415) 554-7786 ♦ TDD (415) 554-5227

which is produced by the US Census Bureau for New York City. Because the NYCHVS data are renewed every three years and include a larger sample size than other Census data, they tend to be popular with both public and private groups that need information on dwelling units and their occupants, location of units and their regulatory status. Groups have use the NYCHVS data to determine the effects of rent destabilization on tenants and landlords, and to make assessments regarding the adequacy of rent increases granted to landlords by the Rent Guidelines Board. Public officials have utilized the NYCHVS data to determine public policy regarding preserving or eliminating rent regulation. For example, findings in the NYCHVS have been employed by public officials in New York City to introduce “Luxury Decontrol” for tenants with high annual incomes (currently, above \$170,000) and retain New York’s rent stabilization laws out of concern that reversing those regulations would result in high rent increases and harassment of tenants by landlords.

- **Rent Board Data** - Cities such as Santa Monica and New York employ information generated internally by their Rent Boards to determine the effect of rent control on tenants and landlords. These data generally become a component of timeseries studies, such as those conducted by Berkeley, Santa Monica, and New York City, or provide a basis for developing new legislation.
- **Surveys** - Other than the New York City HVS, the 1988 and 1998 Berkeley studies, conducted by Bay Area Economics (BAE), are time series studies that also utilize the survey instrument as a research tool for data gathering. BAE conducted surveys of tenants living in Berkeley’s rent controlled units, but neglected to include landlords who operate those units, thus rendering that study incomplete.
- **Comparisons of Rent Control Ordinances** - The Honolulu study, described earlier, compares rent control ordinances from various cities and makes general conclusions about the content and impact of these laws. It also recommends ways in which Honolulu could make its own rent regulation more effective, based on a review of rent control laws in other jurisdictions.
- **Review of Rent Control Studies** - The September 1991 report, prepared for the United States Congress by the U.S. Department of Housing and Urban Development (HUD), reviews studies conducted by other entities, mostly real estate groups, and draws conclusions based on the findings in these studies. Because HUD’s report is based mainly on secondary data generated from other studies which supports the elimination of rent control, it is difficult to consider that report’s conclusions as unbiased.
- **Case Studies** - The Cato Institute’s study reviews various case studies to assess the effects of rent control on affordable housing. Because the information reported tends to be anecdotal, it generally has limited value unless utilized in conjunction with other quantitative data.

Findings:

Major findings in the studies reviewed by the OLA include the following:

- **Affordability of Rental Units** – Housing affordability emerges as a major area of concern in most studies. This issue is examined in terms of its impacts on tenants living in unregulated and regulated units. Studies by the Cato Institute, the London Group, and others, sponsored by landlord groups, suggest that rent control does not benefit the neediest tenants. They cite the high rate of “better off” tenants who occupy rental units. An opposing viewpoint, advanced mostly by government studies in Berkeley, Santa Monica and New York, reflects concern by public officials that vacancy decontrol policies would reduce housing affordability for low-income tenants. In almost all studies, housing affordability while discussed as a concern, is largely not quantified by both sides, except in the New York HVS and Berkeley studies.

- **Tenant Composition** - Studies also examine occupancy in rent controlled units. Most studies rely on Census data despite concerns about the accuracy of those data. The Berkeley survey does, however, provide greater detail on the composition of tenants who occupy rent-controlled units.
- **Rent Increases** - In almost all studies, there is little disagreement over the need for granting landlords allowable rent increases in order to enable them to improve the condition of their buildings and make inflationary adjustments. The disagreement is however, over the standard for determining rent increases. Government studies, such as the New York study conducted by the Office of the Public Advocate, show that Maximum Allowable Rents (MARs) granted by local Rent Boards and adjusted annually, enable landlords to maintain their buildings as well as keep up with inflation. Landlord studies, on the other hand, including the American Economics Group study in New York City, point out that MARs in rent controlled units are unfairly low, and with deregulation, rent increases would enable landlords to improve the condition and investment quality of their rental properties.
- **Tenant Mobility, Vacancy Rates, and Overcrowding** - Studies tend to draft varying conclusions in regard to tenant behavior and vacancy rates. Findings from BAE's 1998 survey, indicate high tenant mobility rates in Berkeley with about three-fourths of tenants having relocated in the last five years. The Cato Institute study, on the other hand, indicates low vacancy rates and low mobility rates in rent-controlled cities than areas with unregulated rents. The New Jersey and Berkeley studies also suggest that rent control policies have a minimal impact on tenant behavior, including the propensity for tenants to "double up" in units.

Study Conclusions:

In terms of the level of bias in various housing studies, our review indicates that study conclusions tend to reflect the viewpoints or positions of the sponsors. For example, landlord-sponsored studies may call for the elimination of rent control and highlight the impact of rent control policies in lowering property values. Government-sponsored studies, on the other hand, may generally support the need for maintaining rent regulation policies and emphasize the benefits of rent regulation for tenants, particularly in regions where market rate rents are higher than national averages. In contrast, the Census Bureau's New York City's HVS does not draw conclusions. Instead, the Census Bureau delivers "raw" data to the Department of Housing Preservation and Development, which then compiles a report for the City Council to draw its own conclusions.

Conclusions

Housing Studies

Many cities have conducted studies on the effects of rent regulation on housing condition and affordability. These studies have examined impacts on tenants, landlords, and the local housing environment. Census data, surveys and other data sources have generated useful information that is needed to conduct research, develop findings, and draw conclusions.

While the issue of "objectivity" in some studies has always generated controversy - given that in most cases conclusions generally reflect the opinions of the sponsors; there is nevertheless, value in having jurisdictions review their current housing policies and gather objective data on their local housing programs in order to make decisions about future policy.

A Study of Housing in San Francisco

Application to San Francisco

Legislation introduced before the Board, calls for a neutral, comprehensive, fact-based study of housing in San Francisco. If the Board adopts the proposed legislation, the City would be conducting its first comprehensive study of housing conditions in San Francisco that are impacted by various housing ordinances, including the Residential Rent Stabilization and Arbitration Ordinance (the “Rent Ordinance”). As indicated earlier, since New York City, is the only jurisdiction that, since the 1960s, has commissioned a regular and comprehensive study of its housing market. The HVS data that are collected by the Census Bureau from a sample survey of occupied and vacant housing units provide information on households in occupied units, characteristics of both occupied and vacant units, vacancy rates, and the condition of the units (see attached appendix on the New York City HVS). Given the history and success of the New York City HVS, New York’s study can be a useful model for San Francisco based on the following factors:

- *Legislative Intent* - Three ordinances direct New York City to determine whether or not a housing emergency exists and to conduct a comprehensive analysis of housing conditions in New York City. These laws are the Local Emergency Housing Rent Control Act of 1962, and two subsequent laws: the Local Rent Stabilization Law of 1969 and the Emergency Tenant Protection Act of 1974.
- *Requirements of the New York Study* - In calling for a regular housing study, officials in New York City had the following goals: to conduct an unbiased and objective analysis of the City’s housing condition; to achieve data reliability; to employ a valid survey instrument that is drawn from a complete address list for sampling reasons; and to guarantee confidentiality to survey respondents.
- *The Track Record of the New York Study* - As indicated earlier, New York City has conducted its housing study since the 1960s. During that period, the City has worked closely with the Census Bureau to refine the methodology in order to make the survey data reliable. Additionally, the HVS data and findings have been widely accepted by diverse members of the City Council, and this body has utilized the information to determine future housing policies.

Drawbacks/ Other Considerations about the New York City HVS study:

- *Cost of the New York City HVS* - The cost of conducting a survey of 18,000 household units every three years is over \$3 million. The expenditure for the 1996 HVS study was \$3.6 million, and the 1999 HVS study cost \$3.7 million because it had additional data items.
- *Diversity Sensitivity*- The Census Bureau dispatches a staff of 150 interviewers who conduct personal interviews in culturally and linguistically diverse neighborhoods. The survey questionnaire is still produced in English, and according to staff, the Census Bureau has not yet fully resolved the issue of language and cultural diversity.
- *Length of Study* - Because of the broad and expansive nature of the data items in the HVS study, the Census Bureau states that it requires approximately one year to collect, compile, and release the survey data to the sponsor, the New York City Department of Housing Preservation and Development (HPD). The HPD Department, in turn, requires additional time to draft the report

and present the HVS findings to the City Council for review. This means that, in effect, the process for completing the study is longer than one year.

- *Limited Public Access to Findings* - The HPD Department is charged with releasing a summary of the HVS findings to the public. However, members of the public who wish to obtain a complete report, must purchase it from the Census Bureau.

Options for San Francisco:

If the Board approves the proposed legislation which calls for a comprehensive study of housing conditions in San Francisco, members are urged to consider the following options:

- Amend the legislation to specifically indicate the City's commitment to a regular and frequent study of the San Francisco housing market. For example, New York City requires its study to be done every three years in order to ensure that actions taken by the City Council are based on updated information and findings.
- Review the cost issue (for the study) in order to ensure that the budget for the study will indeed enable San Francisco to conduct a full and comprehensive analysis of its housing market.
- Technical amendment: Amend File No. 99-1413 to make it consistent with language in the proposed companion measure, File 99-1412, so that it indicates that the proposed General Fund appropriation of \$175,000 would fund a "Neutral Comprehensive Fact Based Socio-economic study of **housing in San Francisco**". As currently drafted, the proposed legislation states that the proposed appropriation would fund a study of "the effects of the San Francisco Residential Rent Stabilization and Arbitration Ordinance".

Attachments:

- TABLE 1 - Summary of studies that were reviewed by the Office of the Legislative Analyst (OLA).
- Appendix A - Detailed description of the New York City Housing and Vacancy Survey (HVS).

Other Available Information:

The following documents are available for review by members of the Board of Supervisors:

- A copy of New York City's 1996 HVS report called *Housing New York City 1996*.
- A copy of the New York City 1999 HVS Questionnaire.



TABLE 1: STUDIES OF RENT REGULATION IN THE UNITED STATES

Study Areas	Study Sponsors & Authors	Title of Study/Year Pub.	Intent of Study	Data/Data Source	Findings	Conclusions
Honolulu, HI	Dept. of Housing and Comm. Devpt. retained The London Group Realty Advisors, Inc.	<i>"The Impact of Rent Control on the City and County of Honolulu" (1995)</i>	To evaluate national rent control experience against Honolulu's rental housing market	Rent Control Ordinances of other Cities; Studies on rent control	In many US communities, rent controls did not insure the availability of units to the neediest tenants; and rent controls impact housing delivery systems of communities, and impact growth.	Rent controls do not solve housing affordability problems, instead communities such as Honolulu must examine their housing delivery systems for solutions.
Berkeley, CA	Berkeley Rent Stabilization Board retained Bay Area Economics (BAE)	<i>"Berkeley Rent Control 1998: Tenant Housing Profile"</i>	To conduct survey of tenants in Berkeley's rent-controlled units and develop profile of current tenants; Conduct timeseries study comparing 1998 findings with those from 1988.	Survey of 2000 rent-controlled units registered with the Rent Board; US Census Data	Tenant composition in rent controlled units is diverse with more single, unmarried tenants in 1998 than 1988; Substantial rent increases between 1988 and 1998 have not changed average number of persons per room; Rent burdens are impacted by income and length of tenancy (higher income and longer tenancy reduce rent burdens); Citywide, almost one-third of respondents have occupied their units since 1997 and slightly less than three-fourths moved in their units in the last five years; three fourths of tenants rate their units as of	Tenant composition has changed - more single unmarried tenant households; Increased rent burdens between 1988 and 1998 have not led to overcrowding or "doubling up" in units; Increase in rent burdens for tenants between 1988 and 1998; Tenants show high level of tenant mobility; There seems to be little correlation between rent paid and tenants' perception of their building condition; Maintenance is still the common source of disagreement in landlord/tenant relations; 1998 results indicate a significant decline in respondents' perception regarding success of rent control.

Study Areas	Study Sponsors & Authors	Title of Study/Year Pub.	Intent of Study	Data/Data Source	Findings	Conclusions
New York City, NY	Staff Report by the Office of the Public Advocate for the City of New York	<p><i>“Rent Destabilization Study (RDS) I” (April 1997);</i></p> <p><i>“Rent Destabilization Study (RDS) II” (May 1997)</i></p>	<p>* RDS I -Who would be most affected by destabilization?</p> <p>* RDS II - Are rent increases granted by Rent Guidelines Board (RGB) to landlords unfairly low?</p>	<p>* RDS I - Data from 1993 and 1996 New York Housing and Vacancy Surveys (HVS) .</p> <p>RDS II - RGB’s Rent Increase data over a 22 year period.</p>	<p>middle quality; slightly less than half the respondents report a dispute with the landlord - disputes are mostly over maintenance/repairs; Tenant opinion regarding success of Rent Control Laws dropped by 20% in 1998.</p> <p>* RDS I - Percentage of renters in stabilized units paying over 40% of their income in rent is up by 37%; 47% of units are occupied by middle-class tenants who could move out of NYC if their rents were raised to high levels; Expansion of “luxury” decontrol could affect thousands of middle-income tenant households; Review of 1974 findings shows vacancy decontrol in NYC led to “exorbitant rents” and “harassment” of tenants.</p> <p>* RDS II - RGB-granted increases have kept pace with inflation; HVS data indicate drop in tenant income, when adjusted for inflation.</p>	<p>Rent increases resulting from rent stabilization could force families to move out of their homes and neighborhoods.</p> <p>NYC’s rent stabilization system is fair to landlords.</p> <p>Rent destabilization and vacancy decontrol would reduce housing affordability for tenants.</p> <p>An effective rent stabilization system should be fair in its rent increases to landlords and tenants.</p>

Santa Monica, CA	Staff Report by the Santa Monica Rent Control Board (RCB) for the City of Santa Monica	<i>“The Impact of Market Rate Vacancy Increases - Preliminary Report: January 1 1999 - June 30, 1999.”</i>	Compares rent controlled and non-regulated units citywide and examines the effects of rent increases as well as impacts on affordability.	Data from 1,961 vacancy market increase forms filed between January 1 - June 30, 1999 before the Rent Control Board by landlords of rent controlled units.	63% of vacancy increases filed between January and June 1999 in units that were previously affordable at 80% of median income were now affordable to renters at 100% of median or higher.	The lower the tenant’s affordability level, the greater the loss of affordable units. The loss of affordable rent controlled units in Santa Monica increases demand for units in other areas.
Major US Cities	William Tucker for the Cato Institute	<i>“How Rent Control Drives Out Affordable Housing” (May 21, 1997)</i>	Effects of rent control on affordable housing.	1990 US Census Data, classified ads of rental units in 18 US cities with or without rent control; Case studies.	Rent controlled cities have few moderately priced units available and most advertised units are above the actual median rent thus creating a “shadow market;”	Rent control policies benefit “better off” tenants than poorer residents, and limit choice for all affected citizens.
Study Areas	Study Sponsors & Authors	Title of Study/Year Pub.	Intent of Study	Data/Data Source	Findings	Conclusions
New York City	New York City Department of Housing Preservations and Development commissioned a study by the U.S. Census Bureau	<i>Housing and Vacancy Studies (conducted every three years)</i>	To determine whether a housing crisis exists in New York City to justify the continuation of rent control and rent stabilization.	Survey of household units in New YorkCity.	Findings vary depending on the year in which the study was conducted. The Census Bureau presents raw data to the City, which is then compiled in a report for the City Council.	The data is generally used to determine future housing policies.
New York City	The American Economics Group, Inc. retained by the Rent Stabilization Association, a landlord group.	<i>“The Effect of Deregulation on Rents & Economic Activity in New York City” (March 1997)</i>	Analysis of rent stabilization in New York City.	1993 New York City Housing and Vacancy Survey	Stabilized units have three or more times higher deficiencies than unregulated units and add to deterioration of neighborhoods. About 70% of rent increases (over several	Average rent increases following deregulation will be small, except when tied to landlord spending on property improvements. Despite the anticipated increases, deregulation will stimulate economic activity,

					years) following deregulation will pay for maintenance and improvements. With deregulation, rent increases would range from 5% in Central and East Harlem to 51% on the Upper West Side.	adding jobs, income and taxes.
New York City	National Multi Housing Council retained Henry O. Pollakowski, MIT Center for Real Estate	<i>“Rent Regulation and Housing Maintenance in New York City” (May 1999)</i>	Examines the effects of rent regulation on housing maintenance of New York City’s rental dwellings.	New York City Housing and Vacancy Survey (Dec. 1998)	* Unregulated rental housing is considerably better maintained than stabilized rental housing. * Unregulated rental units are slightly less likely to show deficiencies than post-1947 stabilized units. * Rent stabilized units with resident turnover between 1993 and 1996 are less likely to acquire deficiencies than similar units with unchanged tenancy.	Unregulated rental housing has fewer maintenance deficiencies than regulated housing. Further analysis is needed to determine whether the size of rent adjustments affects housing maintenance.
Study Areas	Study Sponsors & Authors	Title of Study/Year Pub.	Intent of Study	Data/Data Source	Findings	Conclusions
Cities in New Jersey	Study published in <i>Journal of Urban Affairs</i> by John I. Gilderbloom and John P. Markham	<i>“Moderate Rent Control: Sixty Cities over 20 Years” (1996)</i>	Examines impacts of “moderate” rent control laws that limit rent increases rather than impose caps.	Census data for 125 cities in New Jersey with population over 10,000. Sampled 60 cities with rent control, 65 without rent control in 1970, 1980 and 1990.	Moderate rent control <ul style="list-style-type: none"> • did not impact rent levels, rent per room, new construction or overcrowding for 1970 and 1980. • had modest impact on rent increases in 1970-80 but not for 1980-90. • did not impact new construction. • lowered average size 	Even though moderate rent control is effective in “limiting extreme” rent increases, it does not result in substantial tenant relief from affordability. Thus, rent control in any form will never provide a satisfactory solution to the rental housing crisis.

					<p>of units in 1980-90, but not 1970-80.</p> <ul style="list-style-type: none"> • no appearance of impact on overcrowding or plumbing deficiencies. 	
California Cities with and without rent control	Study conducted by Allan Heskin and Mark Garrett, Urban Planning Department, UCLA.	<i>“Rent Control and Vacancy Control: A Spatial Analysis of Four California Cities”</i> <i>(NOTE: Review is Preliminary - full study to be released in 2000)</i>	Examine the effects of vacancy control over rental units on 1980-90 changes in housing and demographics.	US Census data	During 1980-90 period, there were fewer new rental housing units created in vacancy control cities, but more ownership units.	Vacancy Control policies had little effect on demographic composition of tenants over the 1980-90 period. Vacancy control affected the tenure status of rental housing.

Compiled By: Office of the Legislative Analyst (1999)