

*This is AM for your CC*

*Ask anyone local about the problems in Humboldt County, and you are sure to hear about a lack of affordable housing. More and more, I hear people suggest that rent controls are needed to help tame the prices. The argument is, if government can set the maximum price for rent, then more people can gain access to housing that fits their budget.*

*While that might sound good, It is our responsibility to look at the goal of a law, and then next look to the unseen costs. Unfortunately many regulations have more unseen costs than the purported good they hope to accomplish. Rent Controls are a disaster and cost a community far more than the few people they aid.*

*Price controls lead to shortages. That economics 101. The reason why is because there is a market equilibrium for all goods and services. The cost on one side and the demand along the other side of the graph, with the price people are willing to pay in reference--the market system decides that relationship every day. When government shows up with price controls, the cost is pushed downward and the demand stays high, gobbling up all the units, leaving nothing left.*

*New York City is possibly the most notorious example. A New York times reporter might decide to live in several units of apartment units in one building, because the price controls force the rent to be lower than it would otherwise be. Remember, the original idea of rent control was so that poor families could live in those dwellings, but instead you have a greedy New York Times reporter, lounging in thousands of square feet more housing than they would dare rent in a true free market setting. Rent controls are protected by law, so perhaps even today that reporter is still enjoying the ridiculous situation they took advantage of in the 1980's.*

*The housing crisis in Humboldt has several levels of tension, each and every level would be made worse by price controls.*

*We have a lot of criminal drug addicts, lowlifes that abuse the system to gain handouts of various kinds. There are several slum lords that will rent to these types. Some of these properties simply can't hold up to local building codes, and you can see that play out in the local headlines. I've had contractors tell me that bad tenants can squeeze as much as 90 days on their eviction time, which adds artificial costs to low income rentals. Costs go up because landlords factor in this aggravation.*

*For modest dwellings, the cost of rent is high because of the Green rush, a world that is radically shifting in Humboldt and I believe will be a bubble that bursts within one or two more years. It's better to let a market bubble burst, and maintain an environment that allows investors to bounce back quickly, not heap regulations that force the market into a deathspiral. Restricting the market's ability to react is how you doom an area to financial ruin.*

*Ironically, rent controls would make it even harder for workers to relocate to Humboldt county.*