

4-5-84

# Comment

## 'No' on rent control

**W**HEN EAST Palo Alto became a city last summer, an unbounded array of municipal opportunities lay before its new City Council. It has been disappointing indeed to note that in the ensuing nine months the council has been preoccupied with one issue: rent control.

The council adopted a rent freeze soon after its first meeting, and in November passed an ordinance that limits rent increases to the yearly advance of the consumer price index, creates a Rent Stabilization Board to set rents and mediate rental disputes, and establishes an interest-bearing account for tenants' security deposits. By virtue of a 1,600-signature petition, the ordinance will appear on the April 10 ballot as Measure A, a referendum for the voters' approval. We urge a "no" vote.

The ordinance is so new that its economic effects cannot be known, but its political impact already has been harmful. The incorporation election last year was close and bitter, and the council had an obligation to try to unite the community in order to rekindle some civic pride. Instead the council majority focused on the most divisive issue in town, rent control. The result has been an aggravation of community tensions.

With all the important challenges a new city government faces — from



The April ballot

Election  
1984

parks and recreation to crime prevention to sewer improvements — rent control has become an impediment to progress at city hall.

If it were good policy, the council might be forgiven its single-mindedness. But it's not good policy. The success of the new city depends largely on economic development, which yields an increased tax base, more jobs, more retail business and an increased housing stock. But economic development depends on capital investment, and potential investors aren't going to risk capital in an area where appreciation will be arbitrarily restricted.

Rent control is fairly popular in East Palo Alto, as is any policy that offers short-term monetary advantage to one constituency. But we fear the renters' short-term gain will translate to a long-term disadvantage, not only for renters but for the entire city. East Palo Alto deserves more insightful planning than the rent control law provides.