

The Sacramento Report
By Greg McConnell, Legislative Advocate

June 2008 Rent Control Battle Heats Up

The California Property Owners and Farmland Protection Act is rolling right along. It has been endorsed by some very powerful groups, including the Apartment Owners Association, (AOA) Howard Jarvis Taxpayers Association, Western Manufactured Housing Communities Association, California Mobilehome Parkowners Alliance, California Farm Bureau, and many more outstanding groups. Proponents have raised more than \$2 million and are now confident that they have enough money to ensure that the signatures will be collected and the matter will be on the ballot in June 2008.

If passed, the initiative will phase out rent control in California. According to a recent report by Californians for Property Rights Protection, the opposition is now trying desperately to place competing measures on the ballot in hopes that the voters will be confused and will vote for the wrong initiative. I encourage you to read the following article to see what a major newspaper editorial is saying about the opposition's efforts to undermine the initiative. <http://www.ocregister.com/opinion/domain-eminent-initiative-1837484-property-water>. One thing I am sure about is that if landlords are given the chance to vote next June, no landlord will be duped. All will vote for the initiative that ends rent control. I will provide more on this and the bills that survived and died in the legislature in my next report.

Twenty years ago, I was at a reception honoring my service as the outgoing executive director of the Berkeley Rent Stabilization Board. It was co-hosted by the Berkeley Property Owners Association, the Black Property Owners Association, and Berkeley's moderate political leaders. None of the Berkeley tenant groups attended.

The Board was comprised of nine elected Board members. One was a landlord; the other three were politically moderate which, in Berkeley political circles, is the equivalent of being a right wing zealot. They all attended and spoke of me as a fair minded, dedicated public servant.

State Senator Nicholas Petris, who at the time was considered one of the state's most liberal legislators, presented a proclamation from the State Senate that spoke of my invaluable contributions to the city of Berkeley. The proclamation also bears the signature of Senator David Roberti who was the most notorious pro-rent control senator in the state. Years later after Roberti left, I worked with Senator Petris to get him to cast the crucial vote that forever changed rent control in California.

The lefties on Rent Board Members did not attend the reception and only a few staff members were present. Some did not attend because they knew that coming to my departure party would leave them in a bad light at work. Others were glad that I was leaving so they could get back to the pre-McConnell days of royally screwing landlords.

To them and the majority of the Board, I was the enemy of their evil empire because I dared to say that regulation should be fair.

The day after the reception a small landlord who I had not previously met called and asked if I could help her with a registration problem. I first told her no. My plan was to go back to my home town of Washington, DC and figure out the rest of my life. She persisted and said that she did not have anyone else who could help her. Reluctantly, I agreed.

I went to her home, looked over her paper work and told her what to do. The next day someone else called and then someone else. After a while apartment associations started to call to enlist my help. Well, nearly a thousand clients later, I am now celebrating twenty years in business as The McConnell Group.

As I look back over the first twenty years of The McConnell Group, there are many accomplishments that I can be proud of. I know that had I not been there Costa Hawkins would not have passed, nor would a litany of bad laws been stopped dead in their tracks in Sacramento. This is not to say that I did these things all by myself. Not at all! But if I had not done my part, things would be substantially different then they are.

However, as important as vacancy decontrol may be to the financial well being of property owners, to me, that is not the most important thing I have done. One evening I gave a speech in Santa Monica. A lady asked me what I thought was the biggest problem with rent control. I looked at her and paused for a long time. Many thoughts went through my mind, free market arguments, not helping the intended beneficiary, too much government. While all true, none of these were the answer.

When I finally spoke I heard myself say that it was wrong because it tried to criminalize innocent conduct and make people feel ashamed of themselves. I told her there was nothing dishonorable about providing housing. In fact, she should be proud of what she does.

The audience fell silent for what seemed like hours. Then someone clapped and then someone joined in and then there was a roar. It was like we had all gotten to the core issue of what rent control was trying to take away from people - the right to feel good about themselves and what they do.

Since that evening, I have made honoring the valuable contributions of landlords the core of my business philosophy. I won't say that I will do this for another twenty years, but it will continue for whatever period of time I have the pleasure to work with landlords.

By the way, I know that many people now call themselves housing providers. In fact, I have read some fine editorials that explain why this may be the preferred nomenclature. I don't pick a fight with that. But, I just don't feel the need to call my friends by a more gentle name. To me, you are good guys whatever you choose to call yourselves.

Thank you, landlords, for twenty great years!

Greg McConnell is the principal consultant at The McConnell Group, a consulting and advocacy firm that specializes in housing issues and advises apartment and housing associations, property management companies, and individual owners throughout California. For more information please visit www.themcconnellgroup.com.

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