

Small Property Owners of San Francisco Institute
Continue the Fight for Landlords!
By Noni Richen

Our voice as a small business is being heard. It may not always be obvious from the frustrated tone of many of our articles, but we are working in a systematic way to present ourselves as reasonable and responsible advocates for a large group of small business owners who offer a vital service (housing), yet are forced to operate under extremely prejudicial circumstances. For example:

- The Planning Department is updating the San Francisco Master Plan's Housing Element as it does every five years. Several SPOSFI members attended a public outreach meeting in District 5 and three SPOSFI Board members attended another meeting with city planners to comment on the effect of rent control on the housing supply. Our goal is to have a simple but important statement of fact inserted into the final Housing Element document: *"San Francisco has pursued housing policies for nearly 40 years that discourage investment in rental property. City policies need to encourage housing providers to remain in the rental business and encourage new investments."* The first draft of the housing element in no way questions how city property control policies have caused thousands of units to remain "vacant by choice". We hope that those in the planning process will have the courage to acknowledge that these units exist.
- The Small Business Commission has invited SPOSFI to make a presentation as a member of the San Francisco business community. We will present figures illustrating the losing battle we are fighting to stay ahead of inflation and maintain and improve our properties. Our goals, more specifically, include fast-tracking of permits for small rental buildings and a stakeholders' outreach period before introducing new regulations. We thank Acting Director Regina Dick-Endrizzi of the Mayor's Office of Economic and Workforce Development for the opportunity to address the Commission.
- We have met with several members of the Board of Supervisors to explain how legislation recently introduced by Supervisor Chris Daly would harm both small rental property owners and renters.
- Our next meeting is with the Mayor's Office of Housing. In all of these conversations, we present ourselves as businesspeople who face conditions unlike those of any other group in San Francisco. To emphasize the nature of our unique plight, henceforth we will longer refer to our rentals as "rent-controlled" but rather as **"owner-subsidized housing,"** and ask you adopt this term as well. Words have power and the use of the term is a simple statement of fact.
- The 2010 Supervisor's Election: We accepted an invitation to attend a meeting of the Coalition for Responsible Growth (CRG), a non-partisan group that, among other projects, supports moderate candidates for political office. CRG feels that by

supporting viable candidates now, we can strengthen their chances and discourage other less viable moderates from joining the same race. In the past, we've seen too many moderates lose races by narrow margins because others diluted the votes of the strongest contender.

What is our goal in battling all the regulations and abuse heaped upon our small businesses? Naturally, we want to improve our own lot. We want to offer value to our customers (renters) without being forced to fund all improvements from our own, often limited resources. But, we also want to encourage measures that will improve our city by making the rental business more viable – creating more new rentals and releasing dormant “vacant-by-choice” units. This can be done with carrots, not with the clubs now being used to beat us into submission.

San Francisco is number one on many lists, but one distinction should make our Supervisors cringes: for two years now, *San Francisco has ranked at the very top of the National Apartment Association index of effective rent growth – the nation's highest rate of rent increases!* The moral of the story? As rent-controlled – no, strike that, **owner-subsidized** rentals are occupied by long-term renters, free-market rentals become more scarce and more expensive.

Imagine what might happen if operating a rental business was made attractive. Imagine 10,000 rentals coming back on the market and new buildings including rentals. The majority of our local lawmakers, politically strangled by radical tenant activists, cannot even allow their thoughts to drift in that direction.

It would be wonderful if everyone could find housing at an affordable price. A free and open market might carry San Francisco in that direction. But it's important to note that **affordable housing is not a “right”**, attempts by progressives to rewrite the dictionary notwithstanding the Declaration of Independence uphold our inalienable, individual rights. “Rights” is a moral (not just a political) term; it tells us that a certain course of behavior is right, sanctioned, proper, and a prerogative to be respected by others. Our only rights are the right to life, liberty and the pursuit of happiness. That's all. All legitimate rights have one thing in common; they are rights to action, not rewards from other people. The American concept of rights imposes no obligations on other people, merely the negative obligation to leave you alone. The system guarantees you the chance to work for what you want; the right to the pursuit of happiness, for example, but not the right to happiness itself.

No, affordable housing is not a right, but an entitlement. If we are to pursue it as a societal goal, it must then be an obligation borne by all citizens, NOT just one group (us). That is really the crux of the matter. By continuing to speak up for small property owners, by working for the election of moderate, fair and open-minded legislators and educating ourselves and others, we move in a positive direction. That is why SPOSFI exists.

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