

# Rent control fails to create affordable housing | Opinion

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By [Jersey Journal Guest Columnist](#)

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A [new study by the Liberty Board of Realtors](#) exposes failures of the 47 years of rent control in Hudson County and its more recent attempt to apply the policy as affordable housing.

Rent Control is consumer protection legislation, adopted because of a shortage of affordable housing and since the day it came to New Jersey in 1973, it has not resulted in the construction of one unit of affordable housing. If anything, it has hindered increasing the construction of residential housing as evidenced by state legislators exempting rent control on all new multi-family buildings.

Jersey City Councilman James Solomon's 2019 housing study resulted in a report that concluded with a plan to reform rent control. Instead, eight months of hearings revealed that rent control was incorrectly equated with affordable housing. Many residents had sufficient incomes to pay market rents while many long-term residents could not afford the housing despite rent control - and the city bore the burden through loss of prospective property taxes. This result was predicted by research performed by many academics, including MIT Professor Christopher Palmer, a leading expert on Rent Control.

Recently, legislation sponsored in his role as a State Senator, Union City Mayor Brian Stack calls for a moratorium on condominium conversion in Union City and other New Jersey cities, incorrectly labeling the moratorium as protecting tenants. The Liberty Board's study contradicts the purpose of this policy, as Jersey City conversions have not only had positive economic effect, but they also secured existing housing for renters.

Lawmakers need to accept the truth proven over the last 47 years of rent control: The only way to create affordable housing is to build it, and the only way to fix rent control is to abandon it for a policy that subsidizes rents only for households that can demonstrate the need. There are workable solutions:

1. A system where cities collaborate with owners and developers to set aside a portion of their units for moderate income households and allow the balance of the units to be offered at market rents. The few such set aside programs being used

presently do not have an application system that is transparent, understood and trusted by the public.

2. Vacancy decontrol could then be used to build affordable housing. Bayonne is an excellent example that increased tax revenues realized through vacancy decontrol could be used to create needed housing while rent control protects existing tenants.

The problem is Bayonne and other cities cannot solve the lack of affordable housing alone. For instance, even with the increased real estate taxes, Bayonne only received a portion of the increases since real estate taxes are divided among municipality, school, and county. Because a local government only receives a portion of any real estate tax increase, it cannot create the needed Affordable Housing. The solution can only be a joint effort by all municipalities working in harmony with the county, state government and the private sector.

The answer is right in front of us. Our elected officials need to have the courage to confront the real problem: affordable housing is their obligation, not the obligation of a private property owner.

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