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 Colorado General Assembly
 House Local Government Committee
 200 E. Colfax, Room 271
 Denver, CO 80203

Dear Representative:

My name is Stephanie Avery, and I am the Denver property manager for the Bulkley family of San Francisco, California and of the Ishimaru family of Berkeley, California. We own and manage 350 apartments in Denver, right here in Capitol Hill.

The bill you are discussing today would open the door for municipalities to engage in housing regulation that has been previously prohibited by the state's statutes, and with good reason. Importantly, it ignores the success of inclusionary zoning and the Land Use Restrictive Agreements used in Colorado today.

While this current measure may not be seen as rent control, its result is the same: it is forcing a certain class of people, property owners and developers, without compensation, to provide a solution to a problem that is not theirs. **If affordable housing is the goal, the costs of a solution must be borne by everyone.** Placing the burden on property owners and developers is unfairly penalizing a certain sector of society who have no more control over the ultimate affordability of housing than King Soopers has over the wholesale price of milk.

Municipalities want to preserve and assure the availability of affordable housing for economically disadvantaged people. Government regulation in the form of rent control has been shown, in study after study, to do exactly the opposite; it reduces the affordable housing supply, increases the cost, and benefits primarily the middle class, not the poor. How so? Simply put, rent controls benefit people whose lives are stable – those who don't have to move due to employment or family circumstance – and the housing supply is reduced when people never move and rental housing is not available.

Forcing property owners to subsidize certain units will have far reaching effects. We can see these in the communities that have rent control. Two effects that immediately come to mind are the loss of rental housing stock, and inflation in the rest of the rental market.

It reduces the supply of rental housing by prompting owners of apartment to withdraw units from the market, either keeping them for private use or turning them into privately owned condominiums as a way of bailing out of an unprofitable rental market. Look to Berkeley, California, which has lost 24 % since rent control began there. Other cities show similar losses. *

It artificially creates scarcity. In San Francisco, it has been estimated that unregulated rents are 30% higher than they would be without rent control, because tenants in rent regulated apartments don't move; which decreases the overall housing supply, and increases competition for the available units. **

I urged this committee to vote against this bill. It does not serve the people of Colorado and it will not solve the problem of housing affordability.

Thank you.

* Michael St. John, St. John & Associates, Berkeley, CA

** Jim Forbes, San Francisco Apartment Association Magazine