

## HB23-1115 Repeal Prohibition Local Residential Rent Control

Wednesday, February 15, 2023

House Transportation, Housing & Local Government 1:30 pm | Old State Library

Written Testimony: Oppose

Thank you, Madam Chair and members of the committee. My name is Matt Gorenc, and I am government affairs manager at the Denver Metro Chamber of Commerce and Metro Denver Economic Development Corporation.

I'm here today to express our organizations' opposition to House Bill 1115.

The Denver Chamber has been an indispensable voice on affordable housing. We know that we must ensure our workforce has a wide spectrum of housing to fit all budgets and preferences, both for sale and for rent. It is an economic imperative for our state's future prosperity and economic growth. It's no secret Denver has a housing shortage of 225,000 units and is one of the least affordable metro areas in the country.

This bill would allow local governments to pass rent control ordinances, which would have disastrous effects on the housing supply. When rent control is enacted, it chills new development projects, further exacerbating housing shortages and creating more housing instability. Without the ability to keep up with higher costs, landlords will be less able to properly maintain their properties, creating blight and worse living conditions for residents. Allowing each individual municipality to enact rent control creates a patchwork of regulations across municipal lines and introduces artificial pressures on the housing market.

The Chamber supports a different approach: incentivizing development, cutting regulations and zoning restrictions, and embracing growth to support demand. Don't take our word for it—the *Denver Post* recently published an article stating that last year, developers delivered nearly 11,000 new apartment units to market, and nearly 7,000 have been rented. At the same time, "average apartment rents in metro Denver fell more in the fourth quarter than they did during the worst of the dot-com bust, the Great Recession and even the early months of the pandemic, with more declines likely as new apartments pour out into the market this year". Clearly, the best hedge to rising rent is not to artificially control it, but to deliver enough housing to meet consumer demand, which drives down prices for our workforce. This is done by cutting regulations, easing zoning restrictions, incentivizing development, and working to reform construction defects. Rent control chills housing inventory growth, creates blight, and introduces disastrous artificial market pressures.

We urge the members of this committee to vote no on this bill.