

March 22, 2022

RE: Testimony in opposition to Ordinances 2215 and 2216, amending Chapter 193A

Dear Council President Brendmoen and members of the City Council,

We oppose passage of the referenced amendments unless they call for broad exemptions from rent control or rescission of the Saint Paul Rent Control Ordinance. Trying to define ambiguous terms and approving funding for new staff only serves to justify the ill-advised, petitioned rent control ordinance that, as predicted, is proving to be a political and economic mess for the City of Saint Paul. These amendments also pre-empt potentially duplicate work being carried out by the Rent Stabilization Task Force.

The proposed amendments contain the same false messaging from rent control support groups in certain preambles claiming that “a majority” voted in favor of the ordinance last November. The fact is that only 18%, or 30,965, of the City’s 171,876 registered voters voted in favor, far from a true majority.

On last November’s ballot, the petitioners boiled down one of the most complex issues in any free society, rental housing affordability, to four simple sentences that to anyone either struggling or empathetic to those with housing needs sounded like a dream come true. It was akin to running for student council on a platform of free soda pop and candy in the vending machines. You might achieve a short term, populist victory but when the sugar high fades what are your plans for dealing without funding to refill empty vending machines or care for the bellyaches of the sickened student body?

Unless passed through a petitioned ordinance, rent control is otherwise illegal in Minnesota primarily for one thoroughly debated, attempted and universally agreed upon reason: *it does not work*.

Since November, new housing permits in Saint Paul are down 80% (they are up 17% nationally), over 3,000 new market rate and affordable housing projects for Saint Paul have been pulled off the drawing board, the City has been blacklisted by the investment capital markets and there are countless stories in the local and national press describing draconian rent increases and widespread confusion among tenants, landlords, developers and lenders.

The majority of you on this Council saw this coming and clearly articulated your opposition to the rent control ordinance before the vote. We feel strongly that you should re-assert your opposition, as you are rightly elected to do, by not supporting these amendments and focusing instead on broad rent control exclusions or rescission of the rent control ordinance. Until this happens, Saint Paul will remain isolated and excluded from the capital flows necessary to provide a variety of much needed rental housing for all income levels.

Yours truly,
EXETER MANGEMENT LLC

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