

From: [Andrea Suchy-Shinn](#)
To: [CouncilHearing \(CI-StPaul\)](#)
Subject: Rent control comments
Date: Wednesday, August 10, 2022 2:19:07 PM

Council Members, staff and public;

Our history: my position comes from being a landlord since 2006 with 6 houses/ 16 units combined within the city limits of St. Paul: Summit/University, West Side, Merriam Park East, Midway, W. 7th neighborhoods.

7 of my units accept section 8 vouchers. Another unit falls under the rent pricing guidelines for section 8 as well.

In 2006 when we became landlords, we subsidized our first rental property from my W-2 employment. We did not receive enough rental income to cover maintenance, capital expenses or utilities. We took money from my 401k to do much deferred maintenance and make the duplex safe. We accepted section 8 vouchers on both sides.

With average historical inflation rates running between 2-3% annually and the annual increase in taxes, insurance, utilities if the 3% rule had been in effect in 2006, we would not have been able to purchase, hold or maintain the side-by-side duplex on Marshall Ave.

As rents increased and construction debt paid off, sometime around our 7th- 8th year of being landlords, we were finally showing a small profit.

Most landlords do not have a profit for several years.

With capital expenditures, some years are also negatively impacted:

So far this year, we've spent \$9,000 for plumbing, have a bid for \$17,000 (up 30% from 2021 for the same electrical work), \$5300 for a bathroom remodel, \$12,000 for exterior painting (up 30%), \$3500 for plaster repair. This doesn't include normal maintenance or the \$1700.00 we had to pay to have grease scraped off the walls after a tenant left.

Landlords exploiting loopholes by passing on utilities to tenants:

When the city contracted rubbish service, our rubbish disposal expenses **doubled**.

Storm sewer assessments went up 3.5% from 2021-2022.

Water, electric/gas costs are also up from 2021.

I learned in basic math class, if my costs go up 3.5% to 100% and I only receive 3% return, I will be running a deficit soon enough. If the city of St. Paul wants to keep rental properties, passing on the increase in utility costs must be allowed.

Banking the 3%:

This is a fantastic option. If we have a tenant who cannot afford a rent increase and we want to keep them, if we can financially afford it, we have the option of keeping their rent the same. This provision is a key component for landlords and tenants alike.

Exemptions for voucher programs: As landlords that have accepted section 8 vouchers since 2006, we do not understand the objection for the voucher program exemption. Section 8 determines the limit we can charge for rent per unit as well as sets income guidelines for tenants. Furthermore, if it's an existing unit, section 8 only allows an annual 3% increase.

For new vacancies, if the fair market rent for the metropolitan area is higher and falls within the section 8 rental pricing guidelines, this would be an incentive for landlords to make that unit open to the section 8 voucher program (and other programs). This exemption is a powerful step forward for providing affordable housing in the city of St. Paul.

20-year new construction exemption: The city of St. Paul needs more housing. According to my economics class, more supply equals less demand. Prices go down. The exemption for new construction is a must. As it takes several/many years to re-coup costs and make a profit, the longer the exemption, the better.

Furthermore, every new construction should have a percentage of units made available to low income and voucher programs.

Thank you for your time,

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Sent from [Outlook](#)