



To: City of Saint Paul City Councilmembers

From: Union Park District Council

Re: Opposes the proposed amendment to the Rent Stabilization Ordinance
Supports repeal of the Rent Stabilization Ordinance

Councilmembers,

Union Park District Council strongly believes that safe, stable, affordable, desirable housing is a right, and fully supports Mayor Carter's "ALL IN Housing Framework, holding our goals for supporting unsheltered neighbors, protecting renters, facilitating ownership, constructing new housing, and rehabilitating our existing stock as all part of the same grand puzzle." We agree with Mayor Carter that "Our shared prosperity demands a comprehensive, coordinated, and evidence-based approach to address each of the complex challenges and opportunities ahead." (2024 State of Our City Address).

We acknowledge that a majority of voters across our City, including a majority in Union Park, supported the 2021 Rent Stabilization ballot initiative. However, in 2025, many renters are still struggling to pay their bills. Though the Rent Stabilization Ordinance was intended to make rent more affordable, it has had the opposite effect. Data provided by HousingLink found that, from February 2024 to February 2025, rents fell in Minneapolis but rose in St. Paul ¹.

Though rents rose, property values for non-exempt apartment buildings fell. Only 1 year into the rent control ordinance, property values had fallen 6-7%, for an aggregate loss of \$1.6 billion ². Many homeowners, in addition to many renters, are struggling to pay their bills. The ongoing loss of property value has caused a shift in the tax burden to homeowners and other businesses. The impact of the Rent Stabilization Ordinance extends beyond renters, beyond developers, and beyond landlords – its impact extends to all property owners, including homeowners.

Though we share the goal to "Keep St. Paul Home", data shows that the current Rent Stabilization Ordinance:

- Increases rents more than rents would increase absent the ordinance;
- Deters investment into new construction housing, limits housing, and worsens our housing crisis;
- Deters investment into maintaining our existing older housing units and incentivizes the replacement of older, naturally affordable properties with pricey, market-rate new units forever exempt from rent control;
- Lowers apartment values and consequently pushes the financial burden on residential homeowners.

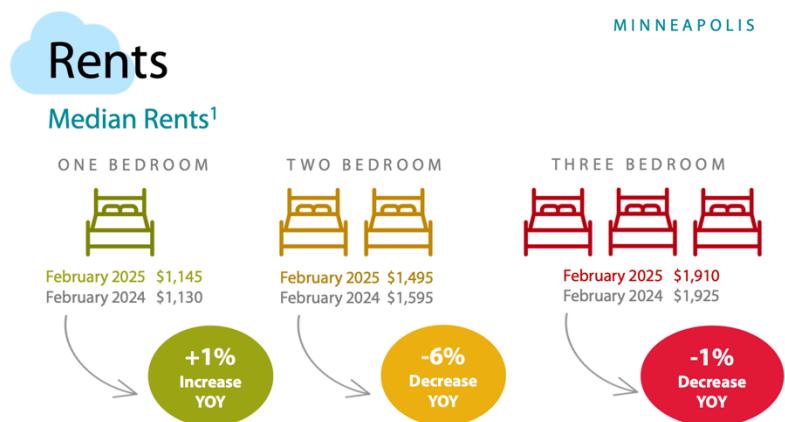
It should also be noted that the proposed amendment places a permanent cap on the number of units regulated by the Rent Stabilization Ordinance, and that number will decrease over time as older units are demolished.

Because the Rent Stabilization Ordinance has stifled growth of new rental properties, disincentivized maintenance of older rental properties, narrowed the gap between St. Paul's historically lower rents and Minneapolis' rents, and shifted the tax burden, jeopardizing the financial stability of homeowners without improving the financial stability of renters, Union Park District Council respectfully urges the City Council not to approve the proposed amendment to the Rent Stabilization Ordinance. Furthermore, Union Park District Council respectfully urges the City Council to repeal the Rent Stabilization Ordinance.

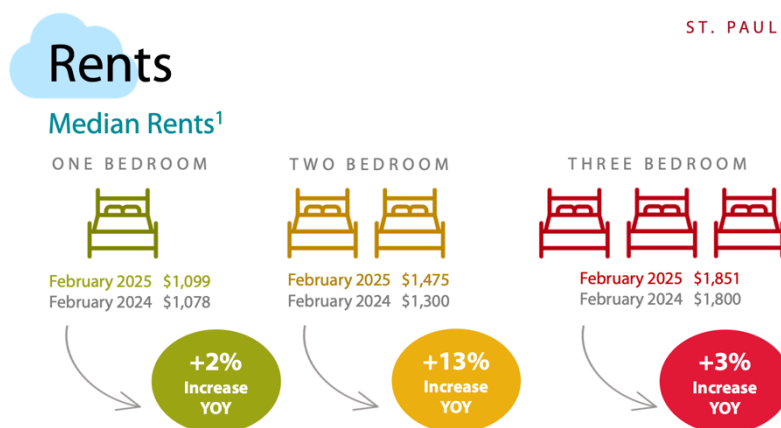
Now is the time to repeal the Rent Stabilization Ordinance. Now is the time to return to the drawing board to effectively address the continued problem of housing instability in our community.

Sarah Dvorak, Union Park District Council President

¹ Source: HousingLink



<https://housinglink.org/Research/Minneapolis-rental-housing-brief>



<https://housinglink.org/Research/st-paul-rental-housing-brief>

² Ahern, Kenneth R., and Marco Giacoletti. "Robbing Peter to Pay Paul? The Redistribution of Wealth Caused by Rent Control." National Bureau of Economic Research, Working Paper No. 30083, May 2022. Accessed December 20, 2024. Available at:

https://www.nber.org/system/files/working_papers/w30083/w30083.pdf