

The St. Paul Area Chamber agrees that we need more housing – at all levels and in every part of our community and state. We firmly believe rent control is not the solution and want voters to better understand the issue before completing their ballots.

What does the Rent Control ballot question do?

If passed, the ballot question imposes a 3% cap on rates for all rental units in the City with NO exceptions. Current units, new construction in development, proposed projects, single unit rentals, mom and pop/small business operators, and large properties are all covered. Government funded and operated housing facilities are the only entities not covered by the ordinance.

How did this get on the ballot?

According to the City Charter, if 8% of voters who cast ballots for Mayor in the previous election sign a petition, the petition question must be put to a city-wide vote. Approximately 5,000 people, representing less than 2% of St. Paul's population forced this proposal on to the ballot. Not one public hearing of the City Council was held on the proposed ordinance. City staff, via the public arena, was not able to weigh-in on the feasibility of implementation of the ordinance. No elected officials provided input. No voters, aside from the less than 5,000 petition signers were able to engage in a public forum on the merits or feasibility of this measure. **This is an unvetted proposal with too many unanswered questions about implementation, administration (taxpayer-funded), and economic impacts.**

Will this hinder residential/multi-family development in an already strained market?

YES! As the Star Tribune recently reported, [the Twin Cities already has the worst housing market in the nation](#). The rent control ballot measure is a kneejerk political reaction to a market-driven economic problem. Rental rates are NOT the issue, lack of housing is the problem. Among other recommendations in the [Governor's Task Force on Housing](#) is to, "build 300,000 homes by 2030...to **stabilize** prices and meet demand." Rent control was not part of the 30 recommendations. By removing an economic incentive to develop housing and rental units, the City will see a contracting market, not a growing one. What happens to the 4,000+ units under development in Highland Park? What about the redevelopment project underway at the United Village in the Midway? The City must encourage development, which rent control will NOT do.

Are there other options to spur development and stabilize rents?

YES! The Governor's Task Force on Housing laid out [30 recommendations](#). Rent control was NOT included in the list. The Legislature's housing commission is also looking to address the housing shortage issue. Municipalities must look at a multi-faceted approach to address housing issues, not rely on failed policies such as rent control. Cutting bureaucratic red tape, increasing density, providing incentives to landlords to rehabilitate properties, and smoothing the administrative processes for developments are all possible options. St. Paul has a housing supply problem, which must be addressed, but rent control will NOT solve this problem.

Has this form of rent control been tried before?

NO! This rent control proposal is the most stringent rent control policy in the country. If passed, this ordinance would place a hard cap at 3% of ALL residential rental units that is not tied to inflation, consumer price index, or continually increasing property taxes. [If there are economic fluctuations \(think COVID disruptions/2008 housing market crash\) or inflation rises above 5%, every new residential building that opened in 2020 would have gone bankrupt because they are not able to adjust rents to inflation or economic changes. The ballot initiative does not allow for decontrol.](#) Rent is capped at 3% in perpetuity. This is an unvetted proposal with limited to NO PUBLIC INPUT. Don't let St. Paul be a test subject for an untested and unproven policy.

According to HENS, the ballot initiative will not slow down development or impact new development, is this true?

NO! This is a false assertion by the people in favor of rent control. Rent control policies across of the country have EXPLICITLY exempted new construction from rent control policies. When the pro-rent control activists point to studies from Boston and the Bay Area that show limited impact to new development, they FAIL to mention that new construction is exempt from rent control in both communities.

By placing a hard 3% cap on rents, limiting flexibility, not allowing for vacancy decontrol, ignoring economic realities like inflation, and not tying increases to CPI, lenders will be increasingly averse to providing capital for new development.

[Learn more about the history and impacts of rent control.](#)