



# metrochamber

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## PRESIDENT & CEO

Amanda Blackwood  
Sacramento Metro Chamber

June 6, 2018

Honorable Mayor Darrell Steinberg and City Councilmembers  
Sacramento City Hall, Fifth Floor  
Sacramento, CA 95814

**Re: Oppose Rent Control: We need to shift the paradigm to build supply and not more regulation to limit it.**

Dear Mayor and Councilmembers:

On behalf of the Sacramento Metropolitan Chamber of Commerce and our membership, I am writing to urge you to resist any effort to adopt, or embrace, rent control in any form in the City of Sacramento.

We all agree that affordable housing is an essential part of a thriving community. As our region experiences a time of growth and prosperity we must have housing solutions that meet our resident's needs and ensure that our citizens are not left behind.

Rent control is not the answer.

Rent control is an artificial mechanism with real negative consequences. It does nothing to address the real reasons low-income workers and even the middle-class can't afford housing in our area, the lack of sufficient affordable housing supply. It does exactly the opposite. It adds one more hurdle to the solution. Evidence clearly indicates that adoption of a rent control mechanism will hurt the very people it is meant to help, as it will discourage the development and construction of additional new rental housing units that are vital for our City to meet a growing demand.

Multiple studies, including those recently presented by the Urban Land Institute, demonstrate that rent control drove the cost of housing in San Francisco up by an increase of 5.1 percent and decreased the availability of rental housing by 6 percent. In a survey of economists, an overwhelming 98 percent agreed that rent control had a negative influence on San Francisco's affordable housing. In 2015, The Economist published evidence that rent controlled apartments were actually occupied by higher median income tenants.

Rent control does not address the real issue affecting our community - a lack of sufficient housing supply. Our focus, energy and actions should be driven towards increasing housing production within the City, not constraining supply.

The City of Sacramento needs a significant shift in paradigm so we retain and recruit a diverse workforce, foster a thriving business climate and ultimately build vibrant and healthy communities. We need to build competitive advantages; not impose restrictions.



**Instead of pursuing additional barriers to increase housing supply and density, we call on city leadership to actively pursue initiatives that will build both the housing and commerce we need to strengthen our region's urban core and provide meaningful employment opportunities for all of our citizens:**

1. The City must create predictability in our City permitting, fees and related processes so builders and businesses can secure the financing they need to increase our housing supply and deliver projects on time and on budget.
2. The City should return to what cities do best – plan for and provide the public infrastructure support that connects our neighborhoods. Infrastructure is the platform upon which strong and healthy communities and economies are built, including the roads and rail, pipes and wires that are vital to new housing and jobs development.
3. Research, develop, and enact creative solutions for the numerous City land parcels that could or should be activated for new rental housing units and housing density. One such idea could be a master EIR or specific plans developed and adopted by the city to minimize the uncertainty of CEQA lawsuits that are so prevalent on urban infill density proposals.

Since its inception 120 years ago, the Sacramento Metro Chamber and our member businesses have embraced our responsibility to lead in advocating for and supporting regional economic success. We are proud of the commitment we have made to our region's urban core and its prosperity. At a time, when we are just beginning to recover economically, and housing starts for affordable and rental units are just starting to accelerate to meet demands, adoption of any form of rent control will move us backward and jeopardize the momentum our region is experiencing. Instead we must embrace innovation and economic evolution to develop and implement a comprehensive approach to increasing both market rate and subsidized affordable housing.

We want to be a partner with the city on this important issue and look forward to a solution oriented dialogue. We look forward to discussing how, collectively, we can address our housing issues and put into action long-term and viable solutions for our residents.

Sincerely,



Amanda Blackwood  
President & CEO

cc: Howard Chan, City Manager, City of Sacramento  
Metro Chamber of Executive Committee Members  
Metro Chamber Land Use and Economic Development Committee Members