

Rosenberg Corey

From: Bill Flowers <bill.w.flowers@gmail.com>
Sent: Wednesday, May 03, 2017 1:40 PM
To: SHS Exhibits
Subject: rent control backfires

I am a landlord who manages homes for people to share. All of my tenants have very low incomes and can't afford more than that. Some have less than \$800 to live on each month, if you can imagine that. If we raise the rent even \$25, they struggle (even more). Managers don't want people to move, because it's always a loss with the cleanup and vacancy, even a one-month vacancy. Smart managers know reasonable rent is better than higher rent, because, if it's too high, we get high turnover. We work hard to help people budget carefully, because it's to our advantage to pay the bills.

If, however, we can't meet our expenses, nothing works. Utilities, property taxes, and maintenance can tap us out as they rise inexorably.

This is not something landlords can control. Paying off a 30-year is what we count on, thinking of our grandchildren's college eventually.

Rent control will backfire, even the threat of it. Even the talk is raising rents as we speak. Further, we would have to raise the deposit amounts of prospective tenants to offset the penalties we will have if someone finally is asked to move. We raised our deposit amount from \$200 to \$300 and saw at least a 50% reduction in applicants who could handle that. Rent control will dampen the desire of investors who otherwise are willing to roll the dice for new construction or even a fix-up. The result will be less competition and higher rents in a very short time. Look at what the situation is in SF and NYC, where rent control has obviously not worked.

There may be a few unscrupulous outfits who gouge, but the market will make them adjust shortly. The problem is availability, and that will not be corrected by rent control. More strategic incentives for building low-income housing would help.

Side note: Getting people trained in a paying trade before they quit high school would reduce the number of low-income people. People want to make a reasonable living and earn their way, but our high schools are too rigid in requiring curriculum that is not always practical for those not college bound.

You don't need to solve quadratic equations to weld, fix cars, be a plumber, electrician, HVAC repair, automotive, etc. Many drop-outs would eagerly enter a practical, trade-oriented program. They do this in many European countries beginning as early as middle school. .

But, that's only a side note.

We are on the verge of building a low-income plex which could house 24 low-income people, but we will now wait to see how this legislation turns out.

Please act carefully.