

Submitter: Joseph Gillock

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

I am writing to oppose the current measure because the proposed starting point of 3% plus CPI index is far too low and would put many affordable properties at risk.

While the 2022 year's CPI resulted in a very high allowable increase on rents under the current rules, it was an outlier. The average CPI index over the past 20 years is closer to 2.5%. If that average holds true in the future it would mean an average cap of 5.5%, which does not keep pace with skyrocketing insurance, contract and supply costs.

The proposed bill disincentivizes the production of new housing and pushes more small landlords out of business.