



May 7, 2019

Honorable Mayor Rich Tran and City Council
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, CA 95035

Re: Rent Control & Just Cause Ordinance – OPPOSE

Dear Mayor Tran and City Council:

On behalf of The Silicon Valley Organization (The SVO), I am writing in opposition to a proposal to enact an urgency ordinance to implement rent control and Just Cause evictions. By way of background, The SVO is the Silicon Valley’s premier business advocacy organization representing over 1,200 companies that employ over 300,000 workers, and we represent our membership as the region’s largest Chamber of Commerce.

Economists, from both the right and the left, are nearly in universal agreement that rent control makes our housing problems worse in the long run. Rent control has been shown to restrict housing supply and would ultimately cause higher rents for everybody else. A recent Stanford analysis found that rent control accelerated the gentrification of San Francisco’s Mission District (<https://web.stanford.edu/~diamondr/DMQ.pdf>). The study further concluded that rent control incentivized landlords to remove their properties out of the marketplace by converting rental housing into high-end condominiums, which only worsened the problem by eliminating housing choices for renters. Instead of implementing rent control and a Just Cause eviction ordinance, the City of Milpitas can better address the housing crisis by significantly accelerating housing production to put downward pressure on market-rate prices. By building more housing, we can ensure that there will be more affordable homes for all of our residents.

In closing, we strongly urge the Council to vote against any proposal to enact rent control and a Just Cause eviction ordinance, which would only worsen the housing crisis. If you have any questions about The SVO’s position on this issue, please contact Eddie Truong, Director of Government and Community Relations, at 408-291-5267.

Sincerely,

Matthew R. Mahood
President & CEO

Executive Committee

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