

To the Labor and Housing Committee:

My name is Joe Pelletier, I am a landlord in Bangor, Maine and I am writing in opposition to LD 1710 (HP 1099) which is before your committee today.

While I applaud the committee's desire to help solve the lack of affordable housing in communities throughout the State of Maine, this bill will not solve the crisis at hand.

Firstly, it is my understanding that landlords cannot discriminate against a potential renter based on the source of their income already, so 4581-A, subsection 5 is redundant (lines 16-18 on page one of the bill). The remainder of this section is problematic as well. As I said, I am a landlord in Bangor with six rental units. My wife and I have owned rental properties since 1991, and pride ourselves in maintaining our buildings. This bill would require us to allow inspections by public housing authorities, and presumably makes it a punishable offense to not cooperate with different housing agencies. While this is laudable on its surface, my experiences dealing with housing agencies makes this untenable at best. Currently, we have no vacant apartments, and the last time we had two vacancies at once, we didn't even have time to advertise the units before we were contacted by acquaintances seeking to rent our apartments. In the past when we have advertised, we have been contacted by housing agencies seeking to help place clients in our units, but their plan to inspect the property would be scheduled for two or three weeks later. In many rental markets in Maine, housing units are scooped up within hours, not weeks. If you wish to help alleviate the affordable housing crisis in the State of Maine, let's instead agree that Housing Authorities need to be able to inspect housing units quickly and not expect a landlord to wait two weeks or more before even being inspected.

I find 4581-A, subsection 6 concerning (lines 7 onward on page 3). While the bill generously does not require us to provide "affordable units" since we only own six units, if we were somewhat larger landlords, the requirements developed in this bill are complex, and unmanageable. We would be required to know our tenant's actual income, as well as any changes to that income constantly. We would be barred from collecting more than 30% of their income in the form of rent, throughout their tenancy. Line 21-25 bars a landlord from reporting delinquent rent to a credit reporting agency if that rent is deemed to be unaffordable. Firstly, it is unclear in the bill as currently written whether this clause only applies to landlords with ten or more units, or to all landlords. Secondly, it again requires that we know a tenant's actual income, and any fluctuation to that income on a month to month basis. Thirdly, and perhaps most significantly, the bill is poorly crafted as line 16 (on page 3) requires that rent not exceed 30% of their income, while line 23-25 states that rent, utilities and heat not exceed 30%. As we do not include all utilities in our rent, this bill as currently written would require us to know our tenant's utility bill each month, and do some amazingly complex calculations to follow the letter of the proposed legislation.

LD 1710 sets up and administers the Rental Assistance and Guarantee Program (page six of the bill onwards). While stating that a landlord "may" participate in the program (line 29 of page 7), the beginning of LD 1710 (page one) requires that landlords not discriminate against any

applicant based on source of income or participation in any rental assistance program. I can only conclude that all landlords would be forced to abide by the requirements of the Rental Assistance and Guarantee Program, to wit: not including rental history (including evictions) in the application process. The requirement to not evict a tenant for failure to pay their share of the rent (30% of their income) as long as the rental assistance portion of their rent is paid means that tenants, once approved for occupancy could stop paying their complete share of the rent, and the landlord could not seek legal recourse, nor report said delinquency to any credit bureau. This is an untenable business model for landlords, but the nature of this bill means presumably that ALL landlords, large and small would have no choice but to participate in this Rental Assistance Program.

The bottom line is this: landlords are not super rich, greedy people that are somehow responsible for the rising rents and the subsequent affordable housing crisis here in the State of Maine. Instead of vilifying the largest landlords (apparently with 10 or more rental units), and dividing what regulations certain landlords must follow, while other landlords don't, we should be able to sit down and figure out how to improve the current situation and current Rental Assistance Programs, without adding excessive requirements to current housing providers which will only serve to drive more landlords out of the rental business and worsening the current affordable housing crisis.

This bill is poorly crafted in its current form, and will not address the root causes of the Affordable Housing Crisis. I urge the committee to either recommend that this bill "ought not to pass", or be tabled until it can be recrafted to reflect real solutions to the problems it describes.

Thank you for your time and consideration.