

Good Morning,

My name is Melissa Toussaint. My husband and I live in Auburn and have owned and managed apartments in Lewiston/Auburn for over 20 years. We currently own 160 residential units and I am confident saying that we are regarded in the community as attentive, kind, and fair rental housing providers. I come to you today with grave concerns over the drastic measures outlined in LD1534. My husband and I do believe in safe, well maintained, and affordable housing for all, however, we do not believe LD1534 will achieve this.

There are many problems with this bill, but due to limited time, I will focus today on only one it's troubling features, the establishment of a base rent using the current rental rate of a unit.

Over the past 20 years, my husband and I have been committed to keeping people in their apartment homes, despite the soaring increases in maintenance, water, taxes, and heating fuel over the years. We have given few and modest rent increases. We have never had anyone report they were leaving as a result of one, and we have had tenants thank us for making it possible for them to save for a home during their tenancy with us. We have kept our rents low with an understanding that eventually there is turnover; our tenants buy houses, move out of state for a job, get married, and age into retirement homes. Although costly, turnover allows us to update apartments and adjust rents to market value. This has allowed us to keep our properties well maintained, our business profitable, and our residents safe and comfortable. The passage of LD1534 would prevent the adjustment of rents to a reasonable market rate at turnover, and unreasonably and indefinitely tie our future income to our current low rental rates. The last thing we want is to give our residents the drastic rent increases this bill necessitates, but if we do not act quickly and our city adopts rent control as set forth in LD1534, the value of our properties and our ability to maintain them, would be at risk.

Furthermore, even the consideration of LD1534 makes my husband and I apprehensive to continue to invest in the improvement and development of other rental units in the area. Interest rates are high, cost of construction is high, as are taxes, and utilities. Whether we like it or not, to invest in a building and maintain it properly, a certain building income is required. Without government subsidies, that income comes simply from rent. Banks will not even consider lending money for economically unfeasible projects.

In your quest to ensure affordable housing for all Mainers, I urge you to listen carefully to the concerns of housing providers here today, closely examine the unintended consequences of rent control, and pursue proven alternatives, as outlined by the National Multifamily Housing Council and the National Apartment Association.

I thank you for your time and consideration.

Melissa Toussaint



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RENT REGULATION HURTS RENTERS

Rather than improving the availability of affordable housing, rent control laws exacerbate shortages, cause existing buildings to deteriorate and disproportionately benefit higher-income households.

Rent control or rent stabilization laws set a ceiling on rents and severely limit or prohibit property owners from raising rents, particularly if vacancy controls are part of the law as well. Most of the nation's existing rent control laws were first instituted in the post-war era, when America struggled to find enough housing for returning soldiers. While rent control is viewed as the politically expedient "solution" to helping renters in need, here's the truth about its impact on communities and the renters it purports to support:

NMHC/NAA Viewpoint

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- **Rent control laws stifle community development.** Rent control laws lead to a reduction in the available supply of rental housing in a community.
- **Rent control laws worsen housing affordability for renters.** Without adequate supply, renters are faced with fewer and more expensive housing options in communities of choice.
- **Rent control laws exacerbate inequitable outcomes for renters.** Rent control and rent stabilization policies do a poor job at targeting benefits, resulting in an inequitable distribution of benefits to a "lucky few" vs. targeted benefits to renters in need.
- **Rent control laws limit renter opportunity and upward mobility.** There are three dimensions of upward mobility that affect housing stability— economic success, being valued in a community, and power and autonomy. Compared to proven solutions like housing vouchers, rent control is counter to mobility as it limits power and autonomy by causing renters to continue to live in units that do not best meet their housing needs, when they otherwise likely would have moved to a unit more suitable for their situation.
- **Rent control laws disvalue rental communities and undermine a renter's right to quality housing.** Rent-controlled buildings can potentially suffer from deterioration or lack of investment since owners may not collect enough rent to keep up with repairs, therefore putting residents in the unfair position of prioritizing cost over quality.

Recognizing its counterproductive nature, 34 states prohibit local municipalities from implementing rent control laws.

Put plain and simple: Rent control hurts renters. Further, it is difficult to find any issue where economists on both sides of the political spectrum agree, except for rent control. [Forbes lists](#) the antiquated idea as one of the 10 worst economic ideas of the 20th century, saying: "Here we have a policy initiative that has done huge damage to cities around the globe. It is very hard today to find an economist supporting rent control." Given the negative effects of rent control and the broad acknowledgement of its ineffectiveness, it's little surprise that finding supporters for rent control is difficult. A survey by the American Economic Association found that 93% of U.S. economists agreed that rent control reduces the quality and quantity of available housing.

As such, lawmakers should pursue proven alternatives like voucher-based rental assistance to address renter distress in the short-term and policies that increase housing supply to support affordability and renter stability in the long-term.