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LD 1710

I am a housing provider in the town of Brunswick. I currently participate in housing assistance programs (Section 8, VASH) and most of my apartments are rented at rates which are well below market. Having rented for many years, I'm familiar with the challenges faced by both renters and housing providers.

Like me, many smaller housing providers in the area must split their time between rental property related activities, family responsibilities, and other jobs making it critical to minimize administrative burden and non-value-added activities. After reading through LD1710, it appears that a substantial amount of administrative burden will be placed on housing providers and managers who would be responsible for navigating and complying with the provisions of this document. This bill will adversely impact my business by increasing administrative costs and reducing the time available for property maintenance.

It's well understood that Maine is facing a shortage of both market rate and affordable housing. LD1710 does nothing to address the housing shortage and will discourage future housing investments.

When working on LD1710 and the myriad of other bills related to housing, I respectfully request your consideration of the items below which are also major contributors to the current housing affordability situation.

1) In the current real estate market, renting apartments at "affordable" rates is not feasible for many housing providers due to the high price of entry into the market. If forced to do so, housing providers would have to compensate by increasing rents on market rate units, exacerbating the existing affordability problem. Alternatively, housing providers may consider other options such as the sale of rental properties or conversion to short term rentals or condos, both of which are in high demand.

Takeaway- Housing prices are very high. Current rents are largely a reflection of the cost of housing acquisition or construction.

2) The overwhelming majority of my current and past tenants are wonderful people. I have however had to deal with some other tenants who were extremely messy, failed to pay, had uncontrolled addictions, and/or harassed other tenants. Sadly, the costs incurred to repair the damage caused by bad tenants ends up being passed along to the good tenants. For this reason, it's critical that housing providers be able to execute comprehensive background, rental history, and credit checks on prospective tenants prior to move in. Furthermore, it's equally critical that the current legal processes for removing problem tenants be maintained to prevent property damage and the escalation of tenant-to-tenant conflicts.

Takeaway- Bad tenants create problems for housing providers and tenants alike. Housing providers need the tools necessary to legally terminate their tenancy and to avoid bad tenants in the first place.

3) Like many, housing providers were subjected to significant hardships while Covid19 related restrictions were in place. Housing providers were forced to shoulder an unfair burden during this time when many tenants chose not to pay rent. Recovery from losses incurred during the Covid19 eviction moratorium, along with the looming threat of increased regulation and draconian rent control measures such as those in place in Portland gives housing providers strong justification to keep rents as high as the market will allow.

Takeaway- Housing providers are well justified in charging rents consistent with the current market. Treating housing providers as part of the solution, rather than part of the problem by eliminating the risk of the threats discussed above will help reverse the trend of rental price increases.