

130th Maine Legislature, First Special Session
Joint Standing Committee on Labor and Housing

Testimony Neither For Nor Against

*LD 1397 An Act Directing the Maine State Housing Authority to Create a Commission to
Develop a Comprehensive Rental Registry for Multifamily Housing.*

26 April 2021

Senator Hickman, Representative Sylvester, members of the Joint Standing Committee on Labor and Housing, my name is Erik Jorgensen, Director of Government Relations at the Maine State Housing Authority (MaineHousing).

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. MaineHousing is an independent state authority created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first-time homebuyers and for affordable multi-family housing.

We are also authorized to administer a number of state and federal programs including rental subsidies, weatherization, fuel assistance, two housing block grants, the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

I am speaking today neither for nor against LD 1397, which proposes the development of a comprehensive statewide rental housing registry. While you, the policymakers, need to decide whether this is a project worthy of state funding, we can say with certainty that what this bill proposes is going to be very complicated, require a very large amount of staffing and significant funding to build, as well as ongoing, permanent, staff support to keep current. Just collecting the initial data would be a task with manifold challenges.

Consider that Maine has a diffused population of more than 150,000 rental units, scattered across the state's 488 cities, towns and localities. Rental apartments are a diverse, largely private, unregulated industry, and so there is no ready source of information with which to populate a registry like this. Rental properties range from accessory dwelling units in single-family homes, to 20-story high rise towers in Portland. They range from tax-credit-financed low-income

housing, to elderly facilities, to supportive housing. But the majority of these rentals, more than 80,000 of them are small properties, in buildings with fewer than 10 units.

Landlords, meanwhile, range from large property management companies, to Maine's 24 public housing authorities, to small real-estate partnerships, to elderly people who rent out a unit or two to fund their retirement. It is highly likely that not all of these owners would have a desire to be part of this type of a statewide database.

The other major factor will be municipal cooperation, which will be required for all of the land, code and property data. This will need to be through voluntary submission or some sort of mandate. Small towns in particular have staffing challenges, and we have reason to think that identifying rental properties in a given community is going to require different levels of effort by municipal officials depending on the town.

The city of Portland, for example, already requires all landlords to participate in a rental registry, charges them a mandatory per-unit registration fee and has a program in place to inspect each units on a regular basis to make sure they comply with safety standards, etc. The fees owners pay help fund the staff of the office that does this. In the absence of such a mandate, it's not clear how one would gather the data needed for a local, let alone a statewide registry.

Finally, if this project is in fact intended to serve as a live platform for people who are searching for apartments, the nature of that data will require near-constant updating, as units get rented, as they become available, as they undergo changes in ownership and accrue issues such as code violations that would need to be recorded. Maine already does have a statewide apartment search registry created in conjunction with Maine's housing authorities: mainehousingsearch.org. With a much simpler mission and data set than is proposed here, even that service requires continual staffing and expenditure.

To provide an adequate cost estimate for this registry is impossible without more research. We do know, based on the most basic parameters of such a project, that the registry would need to be built by a third-party vendor, and not the Maine State Housing Authority.

This would be an expensive and ongoing project. And the biggest question could be how the state would incent (or require) property owners or managers to participate in a statewide project like this.

That said, there is no questions that if such a registry could be built, it would likely yield useful information that would be of value to the housing community, to apartment seekers, community officials and other stakeholders.

