

Testimony of The Connecticut Coalition Of Property Owners

In front of the Housing Committee February 18th 2021

Good afternoon Representative McGee, Senator Lopes, Representative Smith, Senator Anwar and other esteemed members of the housing committee. My name is John Souza and I volunteer as President of the CT Coalition of Property Owners and I'm a full-time landlord. The Connecticut Coalition Of Property Owners (CCOPO) is one of Connecticut's largest landlord/property owner organizations. CCOPO has chapters in Enfield, Windham, Hartford, New Haven, Bridgeport, Norwich and Stamford, as well as the CT Association of Real Estate Investors (CAREI) in West Hartford. Our members own thousands of rental units throughout Connecticut, consisting of mostly small and mid-sized landlords.

For over 20 years, CCOPO has been a constructive voice for responsible landlords on such issues as: nuisance abatement, bedbugs and domestic violence. We are here to represent the mom and pop small business people that provide a valuable and much needed service. Most of us are local residents of the towns we serve and just ask to be treated fairly in any proposed legislation.

Before I start my testimony today, I would like to state for the record, that this past year has been like a punch in the gut for most landlords and unfortunately may end up being a knockout blow to others. Since March of last year, we have been asked to provide a public service to house many of our struggling tenants, often for little or no compensation. We've been barred from using the court system to resolve disputes in all but the most extreme cases and one frustrated landlord lost his life in a rent dispute. Countless others are spending sleepless nights trying to figure out how pay the bills to keep the wheels on the proverbial cart. We haven't minded working out agreements with our cooperative tenants who are willing to apply for state aid when it is available and continue to make all honest efforts to pay. It's the unscrupulous tenants that make no attempt to pull their weight and refuse to cooperate in any way that have delivered the most destruction to our businesses as well as our nerves. Many feel we have always played by the rules and acted in good faith toward our tenants and now the government repaid us by placing a large burden on our shoulders to bear alone. With respect to everyone in earshot, this is not the year to place additional burdens on property owners struggling to keep their property afloat.

OPPOSE.HB 6437 Requires landlords to Notify tenants of a Foreclosure: I named this bill "sink the ship" because you would take any chance away from a property owner who is struggling, to keep their property during foreclosure proceedings. If tenants stop paying rent how is the landlord supposed to get current with the mortgage? Until the final judgement by a court, the property still belongs to the landlord and they should be entitled to collect any rents. Notifying tenants of the foreclosure at this time will only serve to encourage the additional withholding of rents. If a tenant is unhappy with the property owner's maintenance performance, they have the right to pay the rent to any housing court until the problems are resolved.

OPPOSE HB5685 An Act Concerning Rent Control. - It may sound like a great idea to try and control rents by state edict but the reality is it's a really bad idea. Controlling the expenses that make up the

charge of rent is the only way to help keep rents affordable. Constant increases in utilities, town taxes and labor costs etc., have always added upward pressure on rents. The state should do its part by limiting mandates and ever-increasing costs to do business in general, to create a low-cost atmosphere in our state. Most of these expenses are beyond the control of the landlord and we are often caught between rising expenses and tenant's ability to pay. When rent increases are somehow capped to try and protect the tenants, the lost income will adversely affect the property. Maintenance and repairs will suffer, upgrades will not get done and the property will be squeezed until it falls into disrepair and blight. It's been tried. No one wins in this situation.

OPPOSE HB 6431 : *Housing Opportunities For Justice-impacted Persons* This Bill will create the new protected class of "criminal conviction status" to be subjected to discrimination laws. It's overly complicated denial of rental application rules will lead to frivolous law suits at best or Land lords not screening for convictions at all and placing someone in a community who will endanger residents. This Bill will add to the cost of housing by delaying rental applicants, and dramatically increasing legal expenses to landlords.

CCOPO understands the need to support the formerly incarcerated. Any proposed policies should not punish landlords who take reasonable steps and act in good faith to protect other innocent tenants, their families, and communities. The cost of legal fees in evictions and defending discrimination actions involving landlords is particularly burdensome to small and medium landlords and should be considered when addressing this issue.

#1 Lookback period should be 10 years for a covered felony or misdemeanor, **starting from the date of release from confinement**. Since we cannot see into the hearts of formerly incarcerated persons, evidence of good behavior after release is the only criteria, we as landlords can assess and is critical to protecting many innocent young and or disabled existing tenants. Without the ability to see patterns of behavior the public safety will be at risk.

#2 The Opportunity to present mitigating information should not delay the application process for housing. A complex system of approving or denying an applicant will only extend the process. Time is the commodity we sell and delay to the process can be a substantial burden to small /midsize landlords. The formerly incarcerated can include a letter with the submission of any application if they so wish.

#3 Existing HUD guidelines already require that each landlord examine any applicant as a whole by not automatically discarding such applicants with a misdemeanor or a felony on their record. All though this bill mirrors the HUD guidelines closely, leaving a vague definition of what crimes are considered a danger to the health, safety and welfare of others and what crimes are not, is an invite for lawsuits against landlords. So we would ask for:#4

#4 A rebuttable presumption that landlords are "acting in good faith" when making rental decisions on an individual basis. The standard of evidence for claims brought in administrative proceedings and litigation should require "clear and convincing evidence" versus the present standard of merely a "preponderance of evidence." This standard is needed to protect landlords who act in good faith from unnecessary lawsuits. A "carrot" for landlords will go farther than more threats of legal action. Without the clear and convincing evidence standard of a landlord's intentional discrimination in

violation of this proposed statute, landlords will be exposed to a highly subjective standard that encourages unfettered legal claims which are costly and unfairly difficult to defend

#5 Any landlord who rents to a formerly incarcerated person should be immune from any civil liability or injury arising from subsequent criminal act of such person.

OPPOSE.HB 6433: Apartment inspections, late fees and Ombusman: Capping late fees and requiring inspections on demand will just add more complexity and costs to the rental housing system. Late fees are clearly noted on a written lease and are only collected after the 10-day grace period passes. If late fees are not worth the time to administer then landlords will go straight to serving notice to quits. This will add greater fee expense to the tenants. Secondly, tenants and landlords can always take before and after photos to include with email to prove condition of apartment in the absence of an inspection report. Inspecting a unit before the tenant moves out is unlikely to disclose all damages because the apartment is filled with belongings and often damage is done during the moving process which would be after the requested inspection. If passed these additional costs will be passed along to tenants in the form of higher rents. A State position to act as housing Ombudsman is clearly not necessary as the housing courts and local building departments are already equipped to handle landlord /tenant matters. All additional costs to landlords will transfer into higher rents at some point!

OPPOSE S.B. No. 393 AN ACT CONCERNING ROOM TEMPERATURES. (HSG) We understand the need for cooling in most circumstances, but the lease should dictate what is acceptable between landlord and tenant. The danger occurs in the event that every person in a dwelling has the right to install personal cooling equipment when the power system capacity may become overloaded and a fire hazard is created. Tenants already have a right to inquire into the cooling capacity of the property or regulations before they sign any lease.

SUPPORT S.B. No. 354 AN ACT CONCERNING RENTAL ASSISTANCE Payments. This Bill would permit state rental assistance payments to be paid directly to landlords to satisfy tenants' rental payment obligations. I would hope this makes sense to everyone, realizing that it is for the benefit of the tenant as well as property owner.

Thank you all for your time today. Please feel free to contact me if you have any questions.

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