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Thank you for allowing me to speak today. My name is Heather Kelly, I have been a resident of St Albans in Franklin County since 2015. I am a licensed real estate agent and own a small rental management company that focuses on helping local landlords connect with renters. This includes finding qualified tenants and providing guidance to help property owners navigate the VT Statutes to ensure they are following the rules. Before choosing to make Vermont my home, my career of managing large scale apartment communities spanned over 15 years in Northeast Florida. Since relocating to Vermont, I have been involved in property management for 8 years both in Chittenden and Franklin counties. I consider myself a housing advocate which may make my views here seem strange.

While I don't have all the answers, I do know property management. I do not personally own rental properties but have made them my career. I understand the importance of having a healthy rental market. Even if Vermonters could afford to buy a home today, this is not always the best option for many folks. Without a healthy rental market, we're pushing people into bad living situations or out of Vermont altogether. These are people starting their adult lives or going through life changes, people deciding their unable to physically take care of a home and taking advantage of upkeep being someone else's responsibility, these are folks that don't know where their jobs going to take them like our young professionals and military folks. I understand the ecosystem of the rental market and I wholeheartedly believe the current Statutes are a leading factor in the current rental housing catastrophe. I also strongly feel the proposed bills I've seen will only make it worse. The current Vermont Statues are one of the most tenant-friendly in the US so it's no surprise we are losing good local landlords and having them replaced with the less than desirable corporate landlords. Let me explain my take.

Mom and pop landlords typically own a handful of rentals. This may describe some of you in this room. Some with larger portfolios may have one or two dozen rentals as an investment while many only have one which is sometimes a former or future primary residence or an owner occupied duplex or accessory dwelling unit which is attached to their own home. The latter are some of the few ways someone is able to actually afford to buy into homeownership in today's real estate market. These are the "local" landlords everyone likes and trusts. You know how to find them when you need them, sometimes they even live next door. These folks are also generally much more invested in the community. Now your corporate landlords, or corporate-style landlords, are those big, local names that everyone dislikes and you often see their name in the news for less than desirable reasons. And of course we now have national money with no local connection at all buying up properties that local landlords can no longer deal with. I'm sure we could research the increase of 1031 exchanges as local folks sell out of the areas with no landlord protections. Many of these landlords have also decided to switch to short term rentals.

The current Statutes have caused us to slowly lose good landlords. The mom and pops that are left have been forced to set such high requirements and rents to limit their risk that it's nearly impossible to find decent housing anymore. While the corporate-style landlord can get away with accepting any applicants because they can afford the attorneys and timely process to evict someone. Even the landlords with deep pockets face the uphill battle of VT Statutes when things go wrong and this really only hurts the community. Tenants can stop paying rent or cause issues like committing crimes and selling drugs on the property and eviction is still difficult, lengthy and expensive. Many landlords give up and some would even keep a rental empty rather than deal with the complicated system.

In today's rental market, new listings for over-priced, sometimes poorly maintained rentals have dozens of applicants in a matter of days, many folks are so desperate they are willing to take a risk on possible scams and even apply for rentals without even seeing them. I often have folks offer to pay more rent to

just have a chance. If you have pets, which easily half of Americans do, you have no chance. Daily I receive calls and emails from people trying to find homes in this almost impossible market. This includes local employers desperate to hire new staff but are unable to because there's simply no housing. This includes folks living in hotels or on peoples couches. This includes renters that are being asked to leave their current rental for one reason or another. This includes your every day, well-employed Vermonter who's just trying to live their life.

Until Vermont's legislators and tenant advocates realizes that taking away everything in a landlord's toolbox is causing more harm to the ecosystem, this will continue and it will continue to get worse. Taking away a landlord's ability to charge applicants credit and background checks isn't the answer. Taking away a landlord's right to not renew a lease upon expiration isn't the answer. Limiting the amount a landlord can charge for security deposits isn't the answer. Now, of course, all of these things can and should have limits, but totally removing things that help limit a landlords risk will cause more harm and set more barriers for people looking for rental homes.

Specifically in reference to H616, a temporary hold on allowing "no cause evictions" would be devastating. My underlying issue is that the State of Vermont uses the term "eviction" improperly. A no cause eviction is simply a lease termination or a non-renewal of a lease and in reality should be a right of both sides of any contract. The term eviction would only come into play if said tenant refused to leave. The reason for high rates of these types of terminations are because the state gives more protections to tenants than landlords and this court route is simply the cleanest. But please understand that tenant turnover costs are the highest cost for landlords and generally a cost a landlord tries to avoid. If you remove this option from a landlords toolbox, you will lose more landlords. The state protects tenants despite lease violations and nonpayment of rent so yes, a landlord is better off just not renewing a lease than arguing why the tenant needs to go. This is a basic right of landlords and contracts in general. If a reduction in the amount of "no cause" evictions is the issue then we should work on fixing the "for cause" eviction process so it doesn't take 4-6 months to remove a trouble tenant. This correction of a system that should take no more than 30 days is the issue no one wants to speak about and the real reason a landlord is better off just not renewing a lease. See Decker Towers for a great example.

Specifically in reference to H617, defining an application fee is greatly needed since the vagueness can be interpreted many ways. In property management, an "application fee" can cover multiple things since there are admin fees and there are credit/background check fees. Admin fees are the cost to process an application which generally cover the cost of someone's time. It is understandable that the tenant advocates would want to limit or prevent the admin fee from being charged to an applicant as it could be considered the cost of doing business. Credit and background check fees are not profit generating and generally run through a third-party system and not designed to do anything but cover the cost to get this information. To say that a landlord would not be able to charge this to the applicant is just strange to me. To think that this cost isn't getting passed on to a tenant in some way is naive and it would simply not be a good business practice to allow a tenant to provide a copy of their own credit report for many reasons. In my 20 years, I have seen many altered reports. Applying for a lease is applying for a line of credit and an owners ability to properly process applications is step one in avoiding evictions all together.

I fully understand that many of these bills are based on ideas of correcting a system which seems to be the harshest on the folks that most desperately need housing. In my opinion, the current landlord/tenant laws have caused the current situation, and until we provide balanced rights to landlords and tenants, the barriers for all tenants will grow.

Thank you again for your time.