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Burlington City Council Community Development and Neighborhood Revitalization Committee  
149 Church St.  
Burlington, VT 05401

Dear Council Members,

My name is James Unsworth, a 3rd generation Landlord in the Burlington area. Through the decades our family, along with countless others, have offered at or below market rate housing for Burlington residents. We and many others continually receive the highest marks from Burlington code enforcement. We actively respond to Tenant issues and handle them in a timely manner. When a tenant is behind in rent, we work with them to find an amicable resolution. For us, eviction is a last resort.

I have been made aware of the recently formed Burlington Tenants Union. I have read their proposals with an open mind and wanted to respond with my thoughts. I was just made aware of the 02/27/2020 committee meeting and was unable to attend. That being said, I want to make sure someone is speaking for the Landlords.

First and foremost, the Burlington Tenants Union is casting broad assertions about Landlords in the area. Their statements are inaccurate and disparage landlords in a very unproductive manner. The overwhelming majority of Landlords in Burlington are honest, respectful and take pride in their product...rental housing.

In response to their demands about the Housing Board of Review, I do not have major concerns with their desire to increase the number of participants on the board. Fortunately, for me, I have never had to sit before it, but I have no objection in adding a broader scope of participants in the process. I also have no objection to their request for the Housing Board of Review to add an educational aspect to their charter. Situations are always better when BOTH sides are educated on the law.

I do object to additional taxpayer dollars being utilized to fund groups such as Vermont Legal Aid. There was a piece on VPR's Vermont Edition some months back, where a group of attorneys was being interviewed about legal aid for folks who cannot afford an attorney. On the front, a very noble cause, however one of their points was that their goal was to delay the eviction as long as possible. Meantime, the Tenants, who are many, many times being evicted for nonpayment of rent, are not paying rent and sometimes actively damaging the premises. There is a common misconception that we as Landlords take in each and every dollar of rent as profit. This is far, FAR from the case. There can be exceptionally slim margins on these properties. Between mortgage payments, Burlington's notoriously high property taxes, regular maintenance and the like, very little of the gross revenue makes it to the bottom line. Working to delay evictions puts our property in jeopardy.

In regards to their request to increase the responsibilities of Code enforcement, I don't necessarily agree with, but do understand the frustration of Tenants who ask a Landlord repeatedly for repairs to wait for months. Fortunately, this is not how we handle these situations at my company. I do think there should be a more streamlined way to hold Landlords accountable for gross negligence but worry about the slippery slope that may present.

Rent control, as you can imagine, is a non-starter for any Landlord. Personally, I do not see how it is fair that even though my expenses rise, I cannot raise rent to account for that. For example, the tax rate at some of our properties in Burlington increased over 4% this year. The cost of materials and labor has increased dramatically due to the lack of individuals entering the trades. Do you think we will see any new development? A modest 2 bedroom unit can cost \$300,000 to construct. The mortgage payment on that (assuming a 20-year amortization, common in commercial lending) would be around \$1,400 per month. That's nearly break even when you look at market rents. Then the developer/landlord needs to pay taxes, insurance, maintenance and other operating fees.

In the Burlington Tenants Union request letter they say flat out, that Landlords are "gouging" vulnerable tenants. How can one gouge when the rent collected is needed just to cover basic expenses!?

The removal of the no-cause eviction is also beyond comprehension. It appears to me that the Burlington Tenants Union has not spoken with Landlords to get their perspective on this. I would welcome a civilized conversation with them so they might balance their perspective with another.

Having a safe area for homeless camping, is a good idea to help this incredibly vulnerable population. In this day and age, folks are very quick to turn a blind eye to those in need. I support their idea that we need a safe and secure area for folks to live who are without a roof. This obviously needs a great deal of community input and planning.

The Burlington Tenants Union "Ban the Box" idea is a non-starter for me and other Landlords. Would a bank lend you money if they were not sure you could repay? When we rent to someone, we are loaning them our property, just as a bank loans us money. We need assurances they can pay the rent. If the rent is not paid, we cannot pay our bills and we subject ourselves to the possibility of losing our property. We have a responsibility to allow other tenants to peacefully enjoy their leased premises. Part of that is making sure others, who reside in adjacent units will be respectful, law abiding tenants. Removing our right to preform a criminal background check would open the door for very bad situations. Similarly, there are habitual offenders in the area who have been evicted many, many times. Knowing if a tenant has been previously evicted is a critical part of vetting a potential tenant and our right as a Landlord and landowner. Again, I believe the Burlington tenants Union is casting a wide net in asserting that every Landlord discriminates based on previous criminal and civil matters. For us, while we uniformly process applications, we look at each one on its individual merits. Low credit score due to medical debt, student loan debt and the like is something we look at and understand is completely outside of many peoples control. This idea of "ban the box" could single handedly destroy the hopes of ownership of small multi family properties for small investors. If you own a 4-unit and have 1 unit vacant or a tenant not paying rent, that's a 25% hit to your bottom line, which puts you in the red. I don't think it's fair to ask private citizens to essentially subsidize housing.

The Burlington Tenants Union's assertion that all Landlords should know 100% of the law and local ordinances in regards to security deposits does not make sense to me. There are plenty of "mom and

pop” Landlords who have a single unit attached to their home in order to help with the mortgage or other expenses. Saying that because they may have mishandled a security deposit, unknowingly, and then be forced to pay 3x the security deposit is not fair. I would say a good compromise here is to circle back to the Burlington Tenants Union idea that we need more education for both Tenants and Landlords. They promote the idea that all Landlords are malicious in their use of the law and their pockets are deep. This shows their lack of understanding of the other side. Again, I would encourage a civil conversation on the matter.

In regards to retaliatory evictions, I agree that someone who uses an eviction as a retaliatory action, should face recourse. It is the law as of today. That being said, I have had many situations where a Tenant is behind in rent, I give them a “friendly reminder” (which I always do before sending a notice of termination of tenancy) only to get a list of complaints about the property. While we always try and repair issues as soon as possible, this puts us in a bad situation when it comes to our legal right to evict based on non payment. I think this is a situation of “if it ain’t broke, why fix it”. The law exists today.

I am also in agreement that, as the city promised, Tenants have the right to know if a Landlord has had violations at a property. I see no reason why full transparency on this front would be a bad thing. It should be the right of every Tenant to know the history of the Landlord, just as it is our right to vet tenants based on employment verification, credit check, background check and the like.

In summary, I think the Burlington Tenants Union has some good points, but also does not understand our side, as Landlords. It seems to me, like they have failed to understand how we operate. They have cast broad assertions about Landlords in Burlington that are not accurate. They do not understand the implications of implementing their ideas in their entirety. While rent control is a romantic idea, it is not feasible. It will lead to no new development and an increased under supply of housing.

Again, I welcome the opportunity to discuss the issues in detail. The only way to resolve the housing issue in Burlington (which I fully agree is a MAJOR issue) is to have civil discourse on the matter and understand both sides of the story.

Respectfully,

James Unsworth