

Begin forwarded message:

From: Steve Lipkin <steve@lipkinaudette.com>
Subject: Just Cause Evictions
Date: September 15, 2020 at 4:19:17 PM EDT
To: "jshannon@burlingtonvt.gov" <jshannon@burlingtonvt.gov>

[WARNING]: External Message

Hello Joan,

Hope all is well with you and your family. This is Steve Lipkin – as you know my family and I live in Burlington. I have worked for Coldwell Banker Hickok and Boardman for the last 22 years with a focus on Multi Family sales in Burlington. I understand that we have a housing crisis and that there is an urgent need for more affordable housing in Burlington. However, I don't believe that the proposals in the Just Cause Eviction resolution offer the right solutions. In fact, I am concerned about the proposed burdens on the landlords as well as the unintended consequences for the tenants that this resolution is trying to protect.

The landlords I've worked with and know are responsible, hardworking, and genuinely care about the welfare of tenants by providing good, clean and safe housing. Many are young community minded investors who are taking a risk in investing in Apartments and are counting on the appreciation over the years to afford retirement or College savings for their children. Landlords I've spoken with are happy to have tenants extend their leases and don't raise rents for tenants that are paying on time and following their rental contract. Evictions also have an adverse impact on landlords, it's expensive and results in lost rent, large attorney fees and lost time. Many times landlords will dip into their savings and give a bad tenant thousands of dollars to leave versus going through the traditional eviction process.

Many landlords in Burlington are already struggling to make ends meet with the monthly rents barely able to cover operating expenses, rising property taxes and monthly mortgage payments. Landlords already pay a higher tax rate, are reassessed more frequently, and are required to comply with EMP's & Code Enforcement inspections.

The resolution indicates that there is an annual average of 368 evictions filed in Chittenden County. Of those, 20% (74) are identified as "no cause". In taking a closer look at those 74 instances, it would be important to know how many of those no cause evictions are in Burlington, and how many are from non-profit housing(redundant?) vs. market rate housing. It is also worth noting that many landlords and/or attorneys will file a no cause eviction even when it's primarily the result of tenants being behind on rent- so I suspect the 74 no cause evictions figure in Chittenden County are significantly less in Burlington. Historically, Vermont has one of the lowest eviction rates in the country.

As noted in the CEDO memo, Burlington has a substantial number of permanently affordable housing units, approximately 22% of all rental housing in Burlington. Also, the City's inclusionary zoning ordinance ensures that 15-25% of new units being built must remain permanently affordable.

I agree with many of the points made in the CEDO and Dept. of Permitting and Inspections review of renter protections. I commend Bill Ward and the office of Code Enforcement for the effectiveness of the

tiered certificate of compliance. I think it has incentivized landlords to meet and to exceed the minimum housing inspections so that they can obtain a longer term certificate of compliance while allowing Code Enforcement to focus their efforts and resources on the more problematic properties and landlords.

The recent increase in housing development seems to be having the desired impact on vacancy rates and rent increases. According to Allen, Brooks and Minor “landlords have been unable to increase rents in conjunction with rising operating expenses” Notably that is prior to the 2021 re-assessment.

I am concerned that eliminating the ability for landlords and tenants to terminate the lease at the end of the rental agreement with proper notice will have an extremely negative impact.

- I suspect many landlords will be more inclined to rent to students who typically turnover every year or 2.
- When properties turnover most units are painted and necessary updates are made. Landlords may be less able or inclined to maintain and improve their property.
- How much notice will tenants need to give landlords if they want to stay or leave at the end of the lease? Incoming tenants as well as landlords both want to, and need to, be able to plan ahead. Many landlords are advertising and showing prospective tenants apartments in the Fall for Spring occupancy. What happens if they have a prospective tenant that lets them know in September that they would like to rent the unit for June? What notice would existing tenants be required to give to landlords? What if they sign a lease with a new tenant and the current tenant does not want to leave?
- Can a buyer purchase an investment property to live in if the units are all occupied?
- Landlords will be incentivized to try to get as much rent as possible knowing they may not have the opportunity to adjust rents in the future.
- The proposals in the Just Cause eviction resolution may have unintended consequences such as decreasing housing production and reducing incentives to improve properties

Thank you for all the time and energy that you put in on behalf of the city of Burlington. I know it can feel like a thankless job, but please know that your efforts don't go unnoticed and are very much appreciated.

Thanks, Steve

STEVE LIPKIN

REALTOR®, Broker

Coldwell Banker Hickok & Boardman

V: (802)846-9575

M: (802)363-5697

W: LipkinAudette.com



346 Shelburne Road
Burlington, VT 05401

IMPORTANT NOTICE: Never trust wiring instructions sent via email. Cyber criminals are sending emails with fake wiring instructions that can be very convincing and appear to come from a party involved in a transaction. Always independently confirm wiring instructions in person or via a telephone call to a trusted and verified phone number - do not use the phone number in an email.

Please note that this communication and any response to it will be maintained as a public record and may be subject to disclosure under the Vermont Public Records Act.