

****Executive Privilege****

CONFIDENTIAL

LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number: H.239 Name of Bill: An act relating to information regarding the rights of landlords and tenants.

Agency/ Dept.: DHCD Author of Bill Review: Jen Hollar, Arthur Hamlin and Shaun Gilpin

Date of Bill Review: 3/28/14

Status of Bill: (check one):

Upon Introduction As passed by 1st body As passed by both bodies

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in #8 below

Analysis of Bill

1. **Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*

This bill directs the Department of Housing and Community Development to conduct a public outreach program to inform and educate landlords and tenants about their rights and responsibilities, with emphasis on providing landlords who only own one or two units information about the laws and eviction process. It addresses the issue of small landlords not having the knowledge or expertise they need to successfully resolve tenant problems such as nonpayment of rent.

The House has attached a one-time appropriation of up to \$32,000 to be used for this effort.

2. **Is there a need for this bill?** *Please explain why or why not.*

Small landlords are often unable to successfully navigate landlord tenant law and could benefit from more information and guidance about the rights and responsibilities of landlords and tenants and legal processes. Existing resources available to landlords and tenants are limited. There has not been a concerted campaign to educate and reach out to 'small-scale' landlords statewide.

3. **What are likely to be the fiscal and programmatic implications of this bill for this Department?**

Based on similar programs that provide education to tenants and town health officers, we estimate the cost of conducting the program at \$33,725 for educational materials, outreach and training and \$18,750 to \$37,500 for staffing. The lower estimate based on 25% FTE staffing, or 50% FTE if we were to provide a hotline and ongoing technical assistance. The Department currently does not have the staff capacity necessary to conduct such a program and such an effort is outside of the ongoing roles of the Department and could drain resources from macro-scale planning and analysis of housing development policy.

However, The Department has received a proposal for a collaborative effort between the Vermont Tenants program (VTI) at the Champlain Valley Office of Economic Opportunity and the Vermont Apartment Owners Association (VAOA) to conduct a multi-year education program that would achieve the ends described in the bill. They presented the same to House General. Should the bill pass with a one-time appropriation, the Department could work with these organizations to create educational materials and curriculum. Although an ongoing educational campaign would be fiscally difficult without further funding.

Please return this bill review as a Microsoft Word or PDF document to laura.gray@state.vt.us

****Executive Privilege****

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

ACCD and AHS support the concept as successful landlord-tenant relationships help keep people housed.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

Considering that the VTI/VAOA collaborative has already prepared a basic proposal for an education program targeting tenants and landlords, it could be beneficial for the Department to utilize the expertise and existing administrative infrastructure within these organizations to carry out this mandate. In that case, a contract with VTI/VAOA to create educational materials and workshop curriculum would bolster their programmatic goals and assist financially with this effort. We have every reason to believe that these organizations would be in support.

However, the goals and objectives of the VTI/VAOA proposal would have to be downscaled considerably if ongoing funds could not be secured for subsequent years. As it stands, the one-time allocation could feasibly fund the creation of educational materials, workshop curriculum and the piloting of several education workshop but would be inadequate for an ongoing program that is implied by the bill.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

-Landlords who hold small numbers of units would benefit from greater access to educational opportunities that would assist them with understanding the legal processes of handling tenant issues, therefore they would likely support.

-Town Health Officers and other parties responsible for responding to tenant health and safety complaints would presumably see lower call volumes and inspection requests when tenants and landlords have a better understanding of responsibilities in the rental agreement.

-Municipalities and organizations interested in encouraging the development of Accessory Dwelling Units would likely support considering that it has been demonstrated that a major hurdle in convincing a homeowner to develop an ADU in their property stems from homeowner concerns of becoming a landlord. The educational materials resulting from this program could be pointed to as a resource for wary homeowners who would otherwise be interested in developing such housing.

6.2 Who else is likely to oppose the proposal and why?

None known.

7. Rationale for recommendation: *Justify recommendation stated above.*

This bill addresses an identified need but the appropriation is outside of the Governor's budget.

Or, support and include in revised budget recommendations for Senate Appropriations.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

In order to create and run an effective program as described in this bill, there needs to be an identified source of funds for at least three years. Or the objective would need to be adjusted.

Please return this bill review as a Microsoft Word or PDF document to laura.gray@state.vt.us

****Executive Privilege****

Secretary/Commissioner has reviewed this document: Lucy Leide Date: 3/31/14

