LD 1397: Resolve, Directing the Maine State Housing Authority To Assist the City of Lewiston with its Rental Registration Program

Lewiston’s rental registry work and best practice recommendations for outreach and data collection for rental registries for all public housing authorities in Maine

A report to the Maine Legislature’s Committee on Labor and Housing by the Maine State Housing Authority (MaineHousing)

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Background

In 2021 the Maine Legislature passed LD 1397, a resolve, directing MaineHousing to provide administrative support to the City of Lewiston as it worked to create a rental registry.

The city requested only nominal help in coordinating with the Maine Center for Disease Control on its lead abatement programs in order to identify buildings in its registry that were either scheduled for or had been remediated for lead paint hazards. Those connections were made.

After that request MaineHousing received no additional requests for support in the creation of the city’s rental registry program, which as of today remains an in-house program.

Further limiting the full development of the registry in Lewiston was an unwillingness by the Lewiston City Council to fully implement the recommendations of a city ad-hoc committee that was established in 2018 for the purpose of designing a rental registry for Lewiston. The committee’s 2019 report to the City Council included a wide array of recommendations, although many of them were not specifically aimed at creating a publicly searchable rental registry.

Compounding the city’s ability to move forward with a fully functional registry as envisioned in LD 1397 was a significant amount of staff turnover in the city’s code enforcement department and a transition from one city manager to another. Those changes, and the focus on the city’s response to the ongoing COVID-19 pandemic, prompted the majority of the City Council to vote in opposition to the imposition of fees and fines against property owners who failed to register their buildings. Many of the city’s landlords were already struggling with expenses, taxes, and upkeep as many of their tenants had lost income because of pandemic-related restrictions or loss of work.

“There was a sense that nobody should be punished further,” Lewiston Deputy City Clerk Allison Pease said in describing the City Council’s decision and vote to not move forward with the fee and fine structure envisioned by the ad-hoc committee.

While Lewiston’s registry ordinance imposes a fee structure that accelerates over time for failing to register a building, the city, as of December 27, 2021, had yet to implement that fee structure.

Still, Pease said voluntary compliance with the registry was good; even without a strong enforcement mechanism an estimated 75 to 80 percent of the city’s multi-family buildings with three or more units had signed into the registry. Pease clarified, however, that the city did not track the total number of housing units in the registry, just the number of buildings.

The purpose of Lewiston registry was originally driven by the city’s lead poisoning problem and long-standing lead paint problems that were creating serious health issues for low income families, and a desire to get landlords to participate in federal, state, and city funded lead abatement programs. The city’s registry also sought to establish which buildings have adequate fire protection including central alarm and sprinkler systems.

One key impediment for Lewiston in moving forward with its registry was a lack of adequate and affordable technology that would allow fire inspectors and code enforcement officers to easily and remotely enter inspection data into city databases, in the field in real time. Currently, both fire
inspectors and code enforcement keep separate records and then manually enter them into the registry, although Pease said that was not necessarily a standard practice.

The city also set the ambitious goal of inspecting all of its three-unit and larger properties within a three to five-year period.

One-size-fits-all impractical for Maine

LD 1397 directs MaineHousing to submit a report with recommendations for a rental registration program for all public housing authorities statewide. While the resolve envisions a unified system for registering housing units and reaching private property owners who would be compelled to supply data to the registry, it does not fully recognize the distinct and variable characteristics of each housing authority – 20 in all across the state.

Different regions of Maine, different municipalities and each public housing authority will have differing needs for a registry. In some instances, for example in Lewiston and Portland, registries with large numbers of multi-unit buildings may focus on health and safety violations. While others may like to establish an inventory of available units, the types of units and which units are open to accepting Housing Choice Vouchers or may be enrolled in other state or local rehabilitation programs and their statuses. To design a system that will fit all needs and then attempt to apply it uniformly across the state will lead to invariable conflict pitting local needs against the desire for a uniform statewide system. Defining the reason a registry is need in each area will be key to designing the registry in an effective manner.

A one-size-fits-all approach is not only impractical but improbable as well, barring a new state law that would foist a registry design and application for municipalities large and small.

The same registry would be expected to house data on rental properties in large and densely populated cities and also serve sprawling areas of rural Maine. Large variances in zoning ordinances and building codes from place to place alone would make streamlined and uniform reporting nearly impossible.

To date, only a handful of Maine municipalities have created registries, all distinct to the needs of their individual communities, including the state’s largest cities of Portland and Lewiston.

Like each city or town in Maine, each of these registries is unique and often specific in its purpose and intent. No local model exists to frame a statewide pilot. No municipality has a publicly searchable database available currently, making the identification of best practices for collecting data from property owners for this purposes a difficult undertaking.

Snapshots of local progress on registries

Portland

While Portland employs a bifurcated registry that includes both short-term, AirBnB-type rentals and traditional long-term residential type units, that city too has wrestled with enforcement of its ordinance in the midst of the COVID-19 pandemic.
In December of 2021 Portland had yet to collect any fines from the owners of short-term rental units that were found to be in violation of city codes in 2021. A backlog in the district court system, again a result of COVID-19 pandemic and associated restrictions, had left the city unable to fully pursue enforcement mechanisms envisioned in its registry, according to a December Bangor Daily News report.

**Lewiston**

Lewiston’s registry, which only focused on buildings containing three or more housing units, had all but been discontinued, according to Amy Smith, a Lewiston landlord and supporter of the city’s registry program as well as a proponent of LD 1397. While the city has made steady progress, thanks in large part to the work of the City Clerk’s Office, with voluntary participation at between 75 to 80 percent of all buildings with three or more units. However, without an enforcement mechanism or financing, the use of the registry has largely been inward facing, largely a tool for city code enforcement officials or policy makers with access to the data contained in the system. Gaps in the data, including a total count of units in the city’s registry, calls into question its usefulness, were it to be made publicly accessible online as envisioned by the original version of L.D. 1397.

Smith also reported that while she voluntarily registered her properties with the city in 2021, she had received no communication from the city for registering her buildings again in 2022 and had not done so. This calls into question the ongoing viability of this registry. Lewiston’s ordinance requires a new registration each year. Smith, who is also a software developer, had offered an online registry system to the city free of licensing fees for three years, but that offer was rejected. Smith said she believes a publicly searchable registry that could be used by both those seeking rents and those seeking to invest in the purchase of multi-unit buildings was still a desirable goal and prove beneficial to the health, safety, and welfare of the city.

**Orono**

Maine’s oldest rental registry was set up in the city of Orono in 2009 but again the specific purpose of the ordinance creating the registry was unique in its effort to better understand the dynamics of University of Maine off-campus student housing, limit unsafe overcrowding of private rentals, and establish adequate and effective public services for tenants (for example, appropriate public transportation routes that service the largest number of residents).

**Presque Isle**

Jennifer Sweetser, director of the Presque Isle Housing Authority, said efforts to create a registry in that city also fell flat, after residents, including the owners of multi-unit properties, raised concerns to the city council of overregulation.

Sweetser said some worry that trying to compel good behavior by bad landlord actors may also prompt good landlord actors to discontinue their efforts to provide affordable housing units in areas that are woefully short on inventory already. And despite the best efforts of a special committee, the Presque Isle City Council ultimately voted against the creation of a city rental registry.
Local decisions like those by the city councils in Presque Isle and Lewiston foreshadow the opposition any effort by the Legislature would have in forcing municipal governments to adopt uniform standards and data reporting that would make a statewide rental registry functional.

Additionally, the cost to local government of collecting, formatting, and processing data from a variety of disparate sources, from the county registry of deeds to the Maine Secretary of State’s corporations division to local code and fire inspections records, would undoubtedly require state funding or a two-thirds vote of the Legislature to enact an unfunded mandate.

**MaineHousingSearch.org**

MaineHousingSearch.org is a free online rental listing service that links people who need housing with the housing they need. The site offers a free search and listing for rental housing in Maine and is supported with 24-7 online help and by a toll-free, call center Monday – Friday, 9 a.m. to 8 p.m. This listing is continuously updated by call center and email contact with landlords. Developers who use Low Income House Tax Credits (LIHTC) offered by MaineHousing are required as a condition of the program to enter their properties into this listing. This otherwise voluntary system allows landlords to login to update, add or remove properties listed on a 24/7 basis keeping the registry up to date and in real time.

For renters the listing shows a range of information on the buildings including whether the landlord accepts Section 8 Housing Choice Vouchers but information on building condition including late abatement status. For tenants the listing allows them to search by rent cost, size, location, proximity to work and other criteria. It includes market-rate rentals, subsidized housing and special needs housing as well.

This site was initially developed by MaineHousing and the Maine Department of Health and Human Services. It is maintained and supported by other partners including the Smoke-Free Housing Coalition of Maine and the Maine Department of Environmental Protection.

Information and resources on the site are provided in collaboration with 2-1-1 Maine.

The site is powered by Emphasys Software and supported by the nonprofit Socialserve call center.

**Costly endeavor**

For a frame of reference on the estimated cost of a mandated registry, the City of San Francisco, with a population of about 875,000 – roughly 67 percent the population of the entire state of Maine – estimates rental registry start-up costs at $300,000.

The cost of ongoing operations, updates, and maintenance of data for San Francisco’s registry are being estimated at between $1.5 million and $3.7 million annually. This is in a city with one uniform set of building codes and zoning ordinances.
Roughly extrapolating those cost estimates for Maine’s 1.3 million population suggests annual operating costs for a registry in Maine would likely be between $2.2 million and $5.4 million.

**Considering best practices**

The best practices for outreach to landlords to either compel or incent them to enter and update their properties into public-facing registries should include a combination of incentives and possible penalties. But again, what may compel or incent landlords in one community may have little bearing on those in another.

Some examples of incentives for property owners to enter and regularly update the details of their properties in a publicly searchable database may include a rating system similar to a restaurant or hotel star-rating system where properties that are well-maintained, affordably priced, properly remediated for health and safety concerns, and have accurate, available ownership contact information would receive higher ratings than properties with long-standing code violations, vague or veiled ownership records, and unmitigated health and safety issues.

Other incentives could include property tax reductions or credits for the top rated properties.

Penalties for failing to enter property information into a registry would likely include many of the fine schedules similar to those already in place in Portland and other cities that have enacted local registry ordinances.
MaineHousing’s recommendations to the Legislature

1. The Legislature should not attempt to prescribe a one-size fits all approach in the creation of a statewide registry. The unique and ranging characteristics of Maine cities and towns would suggest that rental registries be locally conceived and designed to serve the needs of those particular communities. This organic process is already underway as witnessed by efforts in a number of towns and cities, some of which have been successful in enacting registry ordinances.

2. Any consideration of a statewide rental registry must include both financial incentives and fines in developing a platform that encourages property owners to fully participate.

3. Some of the goals envisioned in LD 1397 could be better obtained by changes to other statutes, including but not limited to laws that allow the creation of limited liability corporations with a minimal public transparency to who are the actual owners of the LLC.

4. The Legislature could also contemplate a state licensing regime for landlords with that license being required for those who enter into the business of multifamily housing. Thresholds for licensure would have to be contemplated carefully with consideration given to landlords who may only have a single rental unit or only a small collection of multi-family units, with a focus on licensing only those who offer the large numbers of rental units.

5. If the Legislature is intent on a statewide registry, MaineHousing’s final recommendation would be to build on the already existing platform of MaineHousingSearch.org. Modifying this existing resource to capture the information envisioned in LD 1397 would be a cost-effective solution as opposed to recreating a new costly system from whole cloth.
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Lauren Bustard, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330-6046, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.