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Public Comments of Attorney Benjamin Trachten

Re: LM-2019-0563

ORDER OF THE NEW HAVEN BOARD OF ALDERS CALLING FOR A WORKSHOP TO DISCUSS THE CONCENTRATION OF LARGE-SCALE LANDLORDS IN THE EXISTING AFFORDABLE HOUSING MARKET AND THE LIVING CONDITIONS THEREIN.

Honorable Board of Alders:

You have before you a proposed order calling for a "workshop" to discuss the above referenced concentration of housing. For the reasons detailed below, I would ask you to proceed cautiously and deliberatively, if you choose to proceed at all.

I am submitting these comments as a New Haven resident and business owner and I don't claim to speak for anyone. I am an attorney licensed to practice law in the State of Connecticut. I am also a resident of New Haven and have been for over 38 years. I am a licensed realtor. My office is at 679 State Street New Haven, Connecticut. My ties to this City are deep and strong.

As an attorney, I represent both landlords and tenants in many unique and difficult situations. This includes matters that directly address the quality of housing that is being provided to City residents by landlords big and small, public and private. I have experience dealing with LCI and the various departments that address housing safety and conditions. I appear in criminal housing court matters for landlords accused of ignoring their responsibility under CT law as it relates to housing code. I have appeared for tenants with violations in their units that are being mistreated by their landlords. I am on all sides of this issue in any given month.

I am also a Court appointed conservator for some of our City's most vulnerable citizens; people who have been deemed by Probate Courts to be unable to make even the most basic decisions about their lives, like housing. These conserved persons routinely live in the most "at risk" housing, both public and private. I know where our most vulnerable citizens live and the quality of housing they live in.

Unfortunately, the letter that started this process is fatally flawed and I would encourage you not to pursue a workshop, investigation, or inquiry into large landlords without first considering the message that it sends in this situation. The letter to President Walker-Meyers from Alders Decker, Hurt and Marks makes specific mention of two local landlords; Mandy Management and Pike. It bases the need to "understand who owns what" on concerns from "testimony at the Fair Rent Commission, media coverage and stories from constituents".

It is no secret that Mandy Management and Pike International are owned by observant Jewish local families. By initiating a workshop that singles out two Jewish businesses you guaranty that the outcome is tainted by claims of anti-Semitism.

More importantly, if the claim is that certain landlords are providing substandard housing, you should be looking to LCI and the housing Prosecutors in the Judicial Branch to truly see who the bad actors are. You should not have to rely on the Fair Rent Commission which has an almost insignificant level of exposure to the New Haven rental market. The fair rent Commission's jurisdiction is so limited, it cannot offer you any evidence upon which to make any conclusions about safe and sanitary housing.

Media reports offer the same utter lack of reliability. The media often goes for the easiest targets and Mandy Management and Pike are bold in putting their names on their properties. So when there is an issue, it's easy to extrapolate that conditions persist in all of their properties. Yet, as we know from the recent West Street fatal fire, the worst offenders are usually the small landlords who have no resources.

Anecdotal reports from constituents are equally unreliable as media reports. While there are bound to be tenants living in conditions that are not acceptable to most of us, it is not possible to draw a conclusion that the concentration of rental housing in the large-scale landlords makes it more or less likely that their units will be substandard. I would think, at a minimum, you would ask for the input of LCI inspectors and neighborhood specialists, the housing code enforcement prosecutors, and the New Haven Housing Court clerks who have detailed records and reports about housing conditions and violations. I am certain that when you look at evidence, and not anecdote, you will find that many of the assumptions behind this proposed Order evaporate.

Also, for landlords to effectively participate in a discussion, you need to define some terms that are left vaguely undefined in the letter requesting action by the Board of Alders and the proposed Order. The term "affordable housing" should be defined. In my experience, this term means different things to different people. It could mean housing that is subsidized by federal, state, or private programs. It could mean housing that is priced at a certain level that makes it affordable to persons earning certain levels of income. It could mean housing that is restricted by deed or covenant to people earning certain incomes or meeting certain criteria. Or it could just mean housing for poor people regardless of income. It is a loaded term.

Also, defining the word "landlord" is critical. Any community wide discussion should, at a minimum, include private landlords, local non-profit housing providers, the New Haven Housing Authority, and the many other market participants. My understanding is that the New Haven Housing Authority, also known as Elm City Communities is the single largest provider of affordable housing in the City based on income restricted units owned. It provides low income housing to 1600 families and administers over 4500 Section 8 vouchers. It touches the lives of roughly 15,000 residents per year. Just based on the number of units it owns and manages, it is one of the largest housing providers in the City and should be part of the discussion along with the private landlords.

There are numerous properties in the City that have project based vouchers or are restricted to low income tenants based on Tax Credits and other funding sources. Many of these properties are owned by non-profits, but some are in private hands. These housing market participants have a demonstrably terrible record of property management and should be included in the conversation that is contemplated by the Order you are discussing tonight.

Our current legal system and its allocation of liability favors property ownership in Limited Liability Companies or other complex entity structures. In fact, some lenders will only loan to what is called a "bankruptcy remote single purpose entity" which is, essentially, a single property owning liability silo. So, judging the relative commitment to community or providing quality housing from entity structure reveals a complete lack of understanding of the market. Good landlords and bad landlords all use complex entities to structure investments and limit risk. These entity structures are legal. Trying to compel the disclosure of beneficial ownership information just isn't going to happen. You would need to lobby the State or Federal Government.

If the Board of Alders wants to find some real information about New Haven housing conditions it should rely on facts and information. By soliciting opinion from residents, uncorroborated by inspections from LCI or other authorities, you are just providing a place for people to vent emotions. I have seen this happen over and over again recently, whether at Management Team meetings or before the various Boards and Commissions that make our City run. Residents are empowered to show up and participate

and they speak from the heart. People feel strongly about many topics. But at the end of the day, there is evidence and fact, and everything else is just noise. So, I encourage you not to listen to the noise but to listen to the evidence, figure out the facts, and make your decisions accordingly.

To summarize:

Start over. Perpetuating an inquiry that in any way stems from an anti-Semitic place is contrary to the values we all share. Next, figure out if there really is a problem by soliciting testimony from LCI inspectors (not the Director), the Housing Court Prosecutor, and the Housing Court Chief clerk. These people are on the front lines and know what's going on in the community. If there is a problem, bring in all the housing market participants including public and private landlords for discussion. Focus on facts and not the emotional pleas of a minority of tenants that have problems. Ignore the media.

Thank you