



**Testimony to the House Environment & Transportation Committee
HB 1179 – Housing and Community Development – Pets in Housing
Developments
Position: UNFAVORABLE
March 5, 2024**

HB 1179 would require Low Income Housing Tax Credit (LIHTC) properties to accept pets, regardless of breed or size, and prohibit property owners from charging a pet fee for said pets. Not only does this bill unfairly target LIHTC properties, but it would place further liability and financial burden on these already highly regulated properties. Many of our properties do allow pets, but there are limitations, including size, breed, and the number of pets allowed to ensure that the property remains safe for all residents. Allowing pets to reside at a multifamily property means that pets must be walked through the hallways and lobbies multiple times a day to allow them to go outside. Therefore, management must spend more time cleaning the common areas, elevators/stairwells, cleaning or replacing carpeting, painting, as well as ensuring that pet waste stations are provided and stocked, and ensuring waste is removed from the grounds. These are all added expenses, so the nominal pet fee that is often charged to the tenant helps to offset some of these increased operating costs. In addition, some owners collect an additional pet deposit due to the damage caused by pets. When a resident with a pet moves out, the carpets must be cleaned or replaced, and windowsills, cabinets, doors or other wood surfaces are often left with claw or bite marks that must be repaired before a new tenant can move in. This adds more time that a unit must be off-line and unavailable for another tenant who needs affordable housing. LIHTC properties can only charge the maximum rents allowed by the IRS, so they cannot simply increase rents overall to cover these expenses.

Finally, and more concerning, is the liability of not being able to exclude pets based on size or breed. This may pose a danger to residents and will also hinder our ability to get insurance on our properties, as insurance carriers require us to submit our pet policies for review and approval prior to them providing insurance coverage, and HB 1179 specifically does not exempt an owner or agent from any liability related to damage caused by the pet of a resident.

This bill would be extremely costly for affordable property owners, and it increases liability to an industry in which many of our projects are already facing severe financial hardship. We need to be able to ensure the safety and welfare of all residents, which means limiting the number, type, and size of pets we allow to live at each property. We also need to be able to insure our properties. Premiums have already skyrocketed over the last few years, and, added to the inflationary pressures on the cost of labor, utilities, and materials, we just cannot bear the additional expenses and liability associated with the passage of this bill and request an unfavorable report.



MAHC is the leading organization for the affordable rental housing industry in Maryland and represents over 185 member organizations, including nonprofit and for-profit developers, State and local housing authorities, property management companies, financial institutions, community development organizations, contractors, tax credit investors, consultants and individuals.

Respectfully submitted on March 5, 2024 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.

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Habitat America has been providing professional property management services for over 35 years. We manage 11,700 units in 118 communities that include senior living, affordable, and market-rate apartments in Delaware, Maryland, Pennsylvania, Virginia, and Washington, DC. We pride ourselves on managing professionally run communities that not only offer quality residences but also provide the perfect space for embracing happy and healthy lifestyles. We are based in Annapolis, MD and employ over 385 staff. We oppose HB 1179.

The Pet fees that we charge are minimal compared to the expenses that are associated with pets in our developments. We love to see our residents have pets, but they also need to take responsibility for their care. We have seen an increase in households leaving dogs and cats in their apartments without feeding them or cleaning up after them. We need to have pet policies in place because not all individuals living in our apartment homes like animals. When residents do not have their dogs on a leash, we have experienced the dogs charging after children and adults and biting them. If they are waiting for an elevator, the dog cannot wait and will urinate in the lobby area and the resident(s) often does not clean up the mess, which creates a slip and fall situation for another resident. It should be the responsibility of the pet owner to take care of the animals and clean up after them, not the management company. We require residents to have insurance to cover these issues, and we also require residents to provide evidence of rabies vaccine records for our records.

Property owners are now getting cited by County officials for not picking up the dog feces throughout the grounds. The counties will impose fees starting at \$350, not a mere \$35. The owners of the dogs will state it is not their dog and refuse to abide by our pet policies. Ownership cannot continue to bear the burden of neglect due to resident abuse and not following our pet policies.

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Damage in our apartments from those pet owners that do not adhere to the pet policies includes carpet replacement and floor replacements due to urination and feces that is in the apartment, drywall door frames that are chewed, and we get reports of barking issues that go on all night which affect the adjacent neighbors rights to a quiet enjoyment of their unit. We also run into the issues where residents do not leash their dogs and they end up biting other residents. This is when the resident tries to sue the management company for not enforcing the leash law. We also have had residents leave their animals in the apartments for a week at a time and does not have someone come over to take them out or feed them. The unit is full of feces and the pet is full of rage when we go to the unit, and the pet has attacked the maintenance person entering the unit.

The policies that most companies have in place, and the minimal pet fees, insurance requirements and vaccine requirements are for the benefit of all --- Animal owners, non-animal residents and landlords.

For these reasons, we urge an UNFAVORABLE report on House Bill 1179.

Sandy Kendall, CPM®

Vice President of Property Management

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Pennrose provides real estate management services for properties developed by Pennrose and other select owners. We have extensive expertise in lease up, stabilization, and ongoing management of market rate, affordable, mixed-income, and mixed-use rental properties and currently manage over 40,000 units throughout the country, with our Maryland office based in Baltimore. Pennrose is an Accredited Management Organization® from IREM®, a designation that recognizes excellence among real estate management firms.

Please consider the potential negative implications of HB 1179. If residents fail to properly care for their pets, this will lead to significant physical damage to our affordable housing communities, including requiring the replacement of flooring and subflooring, and it could impose a substantial financial strain on any affordable property. This not only impacts our ability to keep our properties financially viable, but it also affects the overall quality of living for all residents.

Allowing larger or more aggressive pets without the ability to approve or reject said pet based on breed or weight, could indeed pose risks to the well-being of other residents. Ensuring the safety and security of all individuals within the community is a fundamental responsibility that cannot be overlooked.

It is essential to strike a balance between accommodating pet owners and safeguarding the rights and safety of all residents. We urge an UNFAVORABLE report on HB 1179.

Marsha Blunt

President of Pennrose Management Company

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