



TESTIMONY OF LEN N. FOXWELL

House Bill 477 - Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions (OPPOSE)

Presented on behalf of the Southern Management Companies to the House Committee on Environment and Transportation

February 13, 2024

Chairman Korman, Vice-Chairwoman Boyce and members of the Committee. For the record, my name is Len Foxwell. On behalf of the Southern Management Companies, I respectfully submit, for your consideration, this testimony in **strong opposition to House Bill 477**.

Southern is a local and family-owned company that has emerged, over time, as Maryland's leading provider of workforce housing. It has always been Southern's mission to provide our residents with a clean, safe and comfortable place to call home.

Today, it manages more than 22,000 units, serves more than 42,000 residents and provides more than 1,300 good-paying, family-supporting jobs across our state. Southern does so while giving back through countless civic, charitable and philanthropic initiatives.

For example, it has dependably provided its at-risk families with access to food, childcare and preventative health care. It has provided unemployed residents with on-site career fairs, job interview workshops and an innovative employee referral program for career-track positions with Southern. By partnering with both the public and private sectors, Southern has also provided residents with the financial education that is necessary to make wise choices and lead more economically secure lives.

Southern Management has taken these extraordinary steps to retain dependable residents who pay their rent in a timely manner, maintain their homes properly and respect the rights of their neighbors to a positive living experience. This is the right thing to do, and it is also a wise business practice.

It is in that spirit that Southern Management is strongly opposed to House Bill 477. While well-intentioned, this legislation contradicts the priorities of this committee and would severely undermine our shared desire to provide families with a safe and comfortable place to call home.

Contrary to what some may believe, owner-operators like Southern have no desire to evict good tenants. Indeed, that is an outcome to be avoided if possible - both because of the costs associated with prepping a vacated unit for re-occupancy, and the natural uncertainty that goes with replacing a reliable, considerate and law-abiding tenant.

However, by making it virtually impossible to evict a chronically non-paying resident, one who is disruptive, or one who poses a legitimate security threat to others within their building, this legislation relieves residents of their most basic obligations of good residency. In so doing, it imposes untenable financial risks upon property managers like Southern and equally untenable security risks upon their fellow residents.

Property managers like Southern simply cannot provide its residents with a safe place to call home without the means to remove violent residents, drug dealers, gang members or even with access to unauthorized weapons. This would be an inevitable consequence of this bill. The provision that demands "proof" of each alleged incident ensures that bad residents will continue to engage in disruptive and unlawful behavior, at the expense of most residents who do the right thing.

For example, it is simply unrealistic to expect residents to take time off their jobs, and risk retaliation and retribution, by testifying against a problematic neighbor. It simply will not happen. The result will be a pervasive loss of safety and security at a time when that is a paramount concern of residents throughout the state.

Furthermore, by leaving the property manager without the ability to recoup the financial losses imposed by chronically delinquent tenants, this bill would leave them with no choice but to pass those costs onto other residents. This, at a time when too many families in Maryland are struggling to make ends meet and housing affordability is a defining crisis of our time. In jurisdictions that have adopted highly restrictive rent control measures, the property manager will simply have to absorb these losses, which will make it more difficult to reinvest in maintenance and upgrades.

In short, this legislation is a solution to a problem that does not exist. For the reasons stated above, it will inhibit the ability of property managers to keep their residents safe and provide quality housing at an affordable cost. It rewards troublesome residents at the expense of good residents, and in so doing would lead to higher rents and lower standards of living. For these reasons, we respectfully request an unfavorable report on House Bill 477, and thank you for your consideration.