

Jim Shapiro Real Estate Investors Association of Greater Cincinnati House Bill 93 Proponent Testimony Senate Local Government Committee November 13, 2024

Dear Chair O'Brien , Vice-Chair Gavarone, Ranking Member DeMora, and members of the Local Government Committee,

Thank you for the opportunity to offer testimony in Support of House Bill 93 that would limit the owner's liability related to unpaid water bills in rental properties. My name is James Shapiro and I live in Cincinnati. I am a Licensed Ohio Real Estate Broker, and I manage over 500 rental properties for over 150 owners. My clients have chosen to invest their savings directly in our community to provide quality, safe, affordable rental housing, primarily renting to low- and moderate-income families. They have chosen to put their money on Main Street and not Wall Street. Let me note that while I manage over 500 units, my average client owns less than 5 units. Over half the rental properties in America are owned and operated by "mom and pops" and are part of the largest small business industry in the US – and it is struggling to meet our community's needs. My owners are an essential community resource and provide housing in a city where half the residents are renters. Unfortunately, we have seen a trend in the past few years when communities stop valuing their housing providers, it creates more incentive for them to sell to owner occupants, or to the large companies who are increasingly a concern for municipalities across the nation.

I am a Housing Advocate who provides housing. I am a board member of Housing Mediation Services. I am a member of the Cincinnati City Council Eviction Reduction Committee led by Councilmember Owens and before her, Representative Landsman. I have been a member of the Real Estate Investors Association of Greater Cincinnati for 20 years and am a former board member and past president. In these organizations, I bring the perspective of a committed rental housing provider.

We routinely work with residents who are behind on rent and utilities trying to help them stay in their home. Turnovers and evictions are a huge expense for a housing provider, and we try to avoid it as much as possible. I have initiated more than 125 evictions over non-payment of rent and utilities. In every case, the owner had increased losses because we gave people every opportunity to catch up, and in nearly every case when a tenant was also responsible for water bills, they moved out leaving a balance.

We routinely struggle with the costs of water bills left unpaid by our rental customers and it results in more evictions. We work every month to reach a significant percentage of our renters who are behind on their water bills. We are in the constant process of reviewing monthly bills and reaching out to customers who have not met their lease obligations and paid their water bill. This multiplies the staff hours needed to manage these properties.



We have had hundreds of tenants fall behind on their water bills and move out owing from a few hundred to OVER \$2000 in unpaid water. Nearly every tenant who falls behind on rent also stops paying the water – this creates an incentive for the owners to push for an eviction faster instead of trying a workout plan. The leftover additional costs on top of typical damage and turnover costs have led many owners to fix up and sell their homes to owner occupants and get out of the whole rental market.

We have had tenants leave water running when they are being evicted so the water bill will accumulate because they know it will not affect them down the line. They will still be able to get service at their next place. We have had situations where tenants did not ensure heat was left on and pipes froze, and water leaks ensued. At a house in Lincoln Heights, we took over after a freeze situation and the owner was left a water bill over \$5000 in addition to thousands in other repair costs, which he has been paying down for multiple years. We had a tenant fail to report a broken pipe at a house in Price Hill resulting in a \$3439 bill before she vacated owing rent and utilities.

The result of this situation is we have revised our practices and move more rapidly to filing eviction. We hate eviction, which I describe as a Soul Sucking exercise. However, the fact that owners face liability for water use by a tenant, results in more evictions and acting more quickly to file eviction to try to keep that cost to a minimum.

We ask that you pass HB 93 and help stabilize rental housing cost and reduce the likelihood of eviction.

Thank you for this opportunity to provide input on this matter.

Respectfully submitted,

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