

## Testimony Regarding Bill Nos. 250044 and 250045 Committee on Housing, Neighborhood Development and the Homeless April 7, 2025, Hearing Presented by Annette C. Collier, President

Good morning, Chairwoman Gauthier, Vice Chair Landau, and members of the Committee.

My name is Annette Collier, 2025 President of the Greater Philadelphia Association of REALTORS®. I thank the committee for the opportunity to testify today to Bill No. 250044 and Bill No. 250045.

GPAR represents over 3,400 licensed real estate agents and industry service providers throughout Philadelphia. Many of our members are rental housing providers, property managers who oversee day-to-day operations of rental properties or represent buyers and sellers in rental property real estate transactions.

Since the "Move-in Affordability Plan" bills were introduced, Councilwoman Landau has met with stakeholders to discuss merits and intent of the legislation and hear concerns. We appreciate the outreach and opportunity for open dialogue with the bill sponsor. Stakeholders representing rental housing providers submitted common sense legislative changes that would protect rental housing providers and reduce costs for renters. Unfortunately, these important changes are not reflected in the bills being considered today and GPAR remains opposed to both bills at this time.

The bills intended to promote affordability for renters in their moving process, will add excessive financial and administrative burden for Philadelphia rental housing providers, especially small and mid-sized operators, without offering meaningful support in return. As written, the bills discourage rental market participation and availability of affordable housing units.

Regarding Bill No. 250044, security deposits provide landlords with immediate financial protection against potential damage to the property, unpaid rent, or cleaning costs at the end of the tenancy. This bill would require landlords to defer up front security deposit funds and take on incredible financial risk without any guarantee from renters or recourse options

when installment payments are late, missed or refused entirely - while landlords struggle to cover their own obligations or face default.

GPAR encourages councilmembers to prioritize a more balanced approach to remedying burdensome costs of rental housing transitions—for example, enhanced public outreach and enforcement efforts on existing security deposit refund requirements under the Pennsylvania Landlord-Tenant Act. Bill No. 250044, in its present form, would cripple many housing providers who rely on accessible security deposit funds to ensure units are safe and well-maintained.

In regard to Bill No. 250045, rental housing application fees help cover the costs of the tenant screening process – including compliance with Philadelphia's Renters Access Act, pulling credit reports, background checks, and administrative time communicating with or interviewing applicants. These costs can vary for many reasons and often exceed the \$20 per applicant cap prescribed by this bill. Rental application fees should not be exorbitant or frivolously set by providers and should cover expenses incurred for services performed.

Capping application fees may seem fair but will disproportionately impact smaller landlords who lack access to bulk screening rates. Requiring landlords to accept tenant-provided background checks poses liability issues and breaks uniformity standards of the screening process. A fairer version would require tenant reports to meet verification and quality standards, while allowing landlords to recover reasonable administrative costs. The cost should be indexed to inflation and allow flexibility for legitimate expenses.

GPAR remains committed to working with the bill sponsor and cosponsors on amendatory language and creative solutions that will expand and preserve quality, affordable rental housing options for all throughout the city of Philadelphia. For many individuals, landlords are vital, small business owners building generational wealth for themselves and their families as homeowners, generating sustainable income while providing affordable, safe housing for others.

A memo was circulated to all members of the committee that is expansive beyond my remarks today, and I respectfully request that the chair submit it into the record. Thank you for your consideration of GPAR's position, and I welcome any questions.