

## BILL 16-23: LANDLORD-TENANT RELATIONS – RENT STABILIZATION (THE H.O.M.E. ACT)



### Description

Bill 16-23 would generally prohibit a landlord of a rental dwelling unit from increasing a tenant's rent more than the maximum allowed. Under Bill 16-23, the maximum allowance for a rent increase is up to 3 percent or the rental component of the Consumer Price Index (CPI), whichever is lower.



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## SUMMARY

- Bill 16-23 would:
  - Establish an annual maximum rent increase for rental housing in the County
  - Provide exemptions for certain buildings from rent stabilization requirements
  - Permit a landlord to submit a petition for a fair rent increase
  - Establish an excise tax for vacant rental units
  - Specify the use of certain tax revenues for the acquisition of affordable housing; and
  - Generally amend County law concerning rent increase, landlord-tenant relations, and taxation.

BILL INFORMATION

[Sponsor](#)

Councilmembers Jawando and Mink

[Review Basis](#)

Chapter 29, Landlord-Tenant Relations

[Public Hearing](#)

3/27/2023

[Introduction Date](#)

3/7/2023

[Planning Division](#)

Countywide Planning & Policy

[Planning Board Information](#)

MCPB

Item No. 9

## BILL 16-23: LANDLORD-TENANT RELATIONS – RENT STABILIZATION (THE H.O.M.E. ACT)

### BILL 16-23 OVERVIEW

Bill 16-23 (also known as the [Housing Opportunity Mobility and Equity, or H.O.M.E. Act](#)) would generally prohibit a landlord of a rental dwelling unit from increasing a tenant's rent more than the maximum allowed. Under Bill 16-23, the maximum allowance for a rent increase is up to 3 percent or the rental component of the Consumer Price Index (CPI) percentage, whichever is lower. In January 2023, the Consumer Price Index for All Urban Consumers (CPI-U) in Washington-Arlington-Alexandria, DC-VA-MD-WV area for housing, rent of primary residence increased by 5.8 percent from January 2022 to December 2022 and 6.2 percent from January 2022 to January 2023<sup>1</sup> The increase may only occur once within a 12-month period and the landlord must provide at least a 90-day notice before increasing the rent. Landlords would be required to submit annual reports regarding their rent amounts to Montgomery County Department of Housing and Community Affairs (DHCA).

### BANKING

A landlord may “bank” any foregone increase. Subject to limitations, a rent increase less than permitted amount may be banked and applied to a future year.

### EXEMPTIONS

Bill 16-23 includes twelve exemptions from rent stabilizations without an application for exemption, including:

1. A licensed facility that is used primarily for the diagnosis, cure, mitigation, and treatment of illnesses
2. A dwelling unit owned or leased by an organization exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and used primarily to provide temporary sanctuary or shelter for qualified individuals
3. An owner-occupied group home
4. A religious facility such as a church, synagogue, parsonage, rectory, convent, and parish home
5. Group living facilities as defined in Section 59-3.3.2 of the Zoning Ordinance
6. A dwelling unit governed by a State or county agreement that limits the rent charged and the agreement remains in effect
7. Moderately priced dwelling units in a building constructed after 2005 that is governed by a 99-year agreement with the County and that are affordable to families at 120 percent, or lower, of area median income
8. A transient lodging facility subject to Chapter 54

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<sup>1</sup> [https://www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex\\_washingtondc.htm](https://www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex_washingtondc.htm)



9. A school dormitory
10. A licensed assisted living facility or nursing home
11. An accessory dwelling unit; and
12. A building originally constructed to contain only two dwelling units, one of which the owner occupies as a permanent residence.

Under Bill 16-23, landlords can file an application for two additional exemptions that DHCA must grant:

1. A rental facility that is subject to a regulatory agreement with a governmental agency that controls the rent levels of one or more rental dwelling units so that they are available only to low- and moderate-income tenants
2. A newly constructed rental dwelling unit for a period of 10 years after it is first offered for rent.

### FAIR RETURN PETITIONS

A landlord has a right to petition for a rent increase to obtain a fair return, if the landlord proposes the rent increase should be more than allowed as proposed in Bill 16-23.

The landlord has the burden of proof and must submit a petition that includes income and expense information for DHCA to review and determine whether a fair return is permitted. If the petition is granted, the landlord must provide the tenant a 90-day notice before increasing the rent, if a petition is denied, the landlord has the right to appeal to the Commission on Landlord-Tenant Affairs. DHCA also has the authority to “roll back” a rent increase if a fair return petition was submitted in bad faith.

### RENT INCREASES FOLLOWING VACANCY

Rent increases are allowed for vacant rental units that return to the market equal to the allowable annual rent increase for each year the unit was vacant, but not to exceed 30 percent of the base rent amount paid by the prior tenant.

If a landlord terminates tenancy for a reason not provided for in the lease, the landlord may not reset the rent for the next tenant in an amount higher than the base rent paid by the prior tenant.

### RENTAL HOUSING VACANCY TAX

Bill 16-23 also establishes a rental housing vacancy excise tax. A property owner with two or more units, not condemned, and determined by DHCA as vacant for more than 12 calendar months would be subject to the excise tax.

The rental housing vacancy tax is \$500 per year per unit subject to interest and penalties. Funds collected through the tax would be deposited and credited to the County’s Housing Production Fund – the Housing Initiative Fund (HIF) – and can only be used for the acquisition of affordable housing and

enforcement and administration of this Bill. The tax would take effect one year after Bill 16-23 becomes law.

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## PREVIOUS LEGISLATION

Montgomery County (excluding the municipality of Takoma Park) does not have rent control or rent stabilization. The County Executive publishes the [Voluntary Rent Guidelines \(VRG\)](#), which provide recommended percentages for rent increases, based on the housing component of the Consumer Price Index for All Urban Consumers (CPI-U) for the local Washington-Arlington-Alexandria area.

While Montgomery County has no rent stabilization or rent control policy currently, the issue has been studied and discussed frequently over the past few years. During the COVID-19 emergency legislation was enacted to address rent increases during the span of the pandemic.

- [Expedited Bill 18-20 - Landlord-Tenant Relations - Rent Stabilization During Emergencies](#) was introduced on April 14, 2020 and enacted by the Council on April 24, 2020. The law prohibited a landlord from increasing rent during a catastrophic emergency (i.e., the COVID-19 emergency declared by Governor Hogan) or providing notice of a rent increase above the Voluntary Rent Guidelines until 30 days after the emergency expires. Under this Act, the temporary rent stabilization law was sunset on November 15, 2021, 121 days after the Governor declared the emergency had expired.
- [Bill 52-20 - Protections Against Rent Gouging Near Transit](#) was introduced on December 8, 2020. The bill had a public hearing but is still pending with no work session scheduled in the immediate future. The bill aimed to set standards regarding rents charged within 1 mile of rail transit stations, and within ½ mile of bus rapid transit stations. Rents within these areas would be required to comply with Voluntary Rent Guidelines published by the Department of Housing and Community Affairs (DHCA) under Chapter 29. In its comments on the bill to the Council, the previous Planning Board noted they strongly disapproved of the bill due to the potential impact on housing supply (Attachment 2).
- [Expedited Bill 30-21, Landlord-Tenant Relations – Restrictions Following Emergencies-Extended Limitations](#) was introduced on July 13, 2021. Bill 30-21 was enacted by the Council on November 9, 2021, to extend the limitation for a rent increase that was already provided for in Expedited Bill 18-20. The law continued the limitation on rent increases and extended the timeframe from 90 days to 1 year after the expiration of the emergency, which would extend until May 15, 2022. In addition, it prohibited landlords from charging late fees that accrued during the emergency. The rent increase restriction following the COVID-19 emergency is now expired and is no longer in effect.
- [Expedited Bill 22-22, Landlord-Tenant Relations – Limitations on Rent Increases](#) was introduced on July 12, 2022. Expedited Bill 22-22 sought to temporarily limit rent increases to

no more than 4.4 percent for up to six months. This bill had a committee work session on October 24, 2022 but received no vote. Instead, the Council added a project to the Office of Legislative Oversight's [work program to study rent regulations](#).

- [Bill 15-23, Landlord-Tenant Relations - Anti-Rent Gouging Protections](#) was introduced on March 7, 2023. The bill aims to prevent rent-gouging in the county. In general, annual increases in excess of the sum of the local annual CPI-U plus eight percent would be prohibited.

## REGIONAL COMPARISON

See below for a comparison of regional rent regulations.

	<b>Maximum Rent Increase</b>	<b>Limit on Increase for Vacant Units</b>	<b>New Rental Units Exemption</b>	<b>Small Building Exemptions</b>
<a href="#">Bill 15-23</a>	8% plus local annual CPI-U.	None.	15 years	Single family homes and buildings with two units, one of which is owner occupied.
<a href="#">Bill 16-23</a>	3% or rental component of local annual CPI, whichever is lower.	Yes. Up to 30% above rent charged when unit was occupied.	10 years	Buildings with two units, one of which is owner occupied.
<a href="#">Prince George's</a> <sup>2</sup>	3%	None.	5 years	None.
<a href="#">Takoma Park</a>	Percentage increase in the CPI from March in the preceding year to March in the current year.	Yes. The rent for vacant rental units may be increased up to the banked rent and the annual rent stabilization allowance.	5 years	Single family homes and buildings with 2 units, one of which is owner occupied.
<a href="#">Mount Rainer</a>	60% of CPI	Yes. 60% of the CPI multiplied by the rent that could have been charged had the unit been occupied in the preceding year.	15 years	2 or fewer units.

<sup>2</sup> Sunsets after one year.

<a href="#">Washington, DC</a>	2% with annual CPI-W	Yes. Up to 30% above rent charged when unit was occupied.	Units built after 1975 are exempt.	Persons who own 4 or fewer rental units.
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## BILL 16-23 ANALYSIS

### ABOUT RENT REGULATIONS

As summarized in the [Montgomery County Preservation of Affordable Housing Study](#), rent regulations refer to a broad suite of policies, often referred to under the umbrella terms "rent control" or "rent stabilization." These rent regulations aim to limit the rents that private landlords may charge tenants. There is significant variation in program design related to the applicable properties, the level of oversight in rent setting, and the permitted level of rent increase. The effectiveness of rent regulation is the subject of significant debate among economists and housing practitioners, with proponents focusing on resident stability and skeptics asserting that negative consequences on housing production and other adverse effects outweigh any benefits.

An effective rent regulation is one that limits the ability of property owners to increase the rent on an existing property beyond what is necessary to maintain the property and without disincentivizing investment in existing properties or discouraging development of new housing. Balancing the limits on increasing rents with the need for private investment in housing is the central tension of rent regulation policies.

Anti-rent-gouging laws are a subset of rent regulations, where anti-gouging laws aim to prevent excessive rent increases, which are often at an unconscionable price for the tenant. Anti-rent gouging laws often set the rent cap at a rate well above the rate of inflation, often with a constant percentage on top of the rate of inflation. These laws attempt to stop the bad actors that attempt to raise the rents too high, but generally allow rent increases that exceed the market's typical rent growth.

The [Montgomery County Preservation of Affordable Housing Study](#) laid out five key considerations that any rent regulation policy will need to balance:

1. **Market Strength:** The strength of the existing multifamily rental market will determine whether rent stabilization may be viable. This can be determined through three indicators: net absorption—the number of new units that are being rented out annually; new multifamily starts—the number of new projects beginning annually; and stabilized property resale volume—the velocity of existing property sales. If the market is weak with low growth, such a policy may do more harm than good.
2. **Properties Covered:** Targeting is vital for a successful rent stabilization policy. If rent stabilization policies include new construction, they often stymie new development.

Instead, rent stabilization should target properties with the highest rates of rent increase, often older and smaller properties.

3. **Rent Increase Cap:** The rent increase cap must be set to an amount that targets potential rent gouging without reducing investment. In Oregon and California, these caps were set at inflation plus 7 and 5 percent, respectively, far exceeding any regular rent increase or the pace of inflation. The appropriate cap should be set based on the strength of Montgomery County's multifamily real estate market to ensure continued investment.
4. **Property Investment Exemptions:** A common drawback to rent stabilization is that it disincentivizes owners to properly upkeep their properties and make larger capital expenditures as required. Montgomery County needs to ensure that the cap allows for these investments to be recouped and incentivizes maintenance of safe and habitable apartments, and that the County continues to require a minimum level of upkeep through enforcement of building codes.
5. **Market Expectations:** Real estate markets are sensitive to market expectations—if there is a perception that rents will be further regulated or that regulations are temporary, landlords will adjust their actions accordingly. Any proposed rent regulations should be enacted swiftly, and property owners should be given confidence that the rules will remain consistent in the short-term.

In Planning staff's opinion, Bill 16-23 as currently written does not appropriately balance the considerations highlighted above. While staff is sympathetic to the plight of renters that have experienced excessive rent increases, a maximum cap of 3 percent is not excessive and could have detrimental impacts on the housing market. Staff recommends amendments to the bill in an attempt to better balance the need for tenant protections and ensuring there is investment in the local housing market.

## RENT ANALYSIS

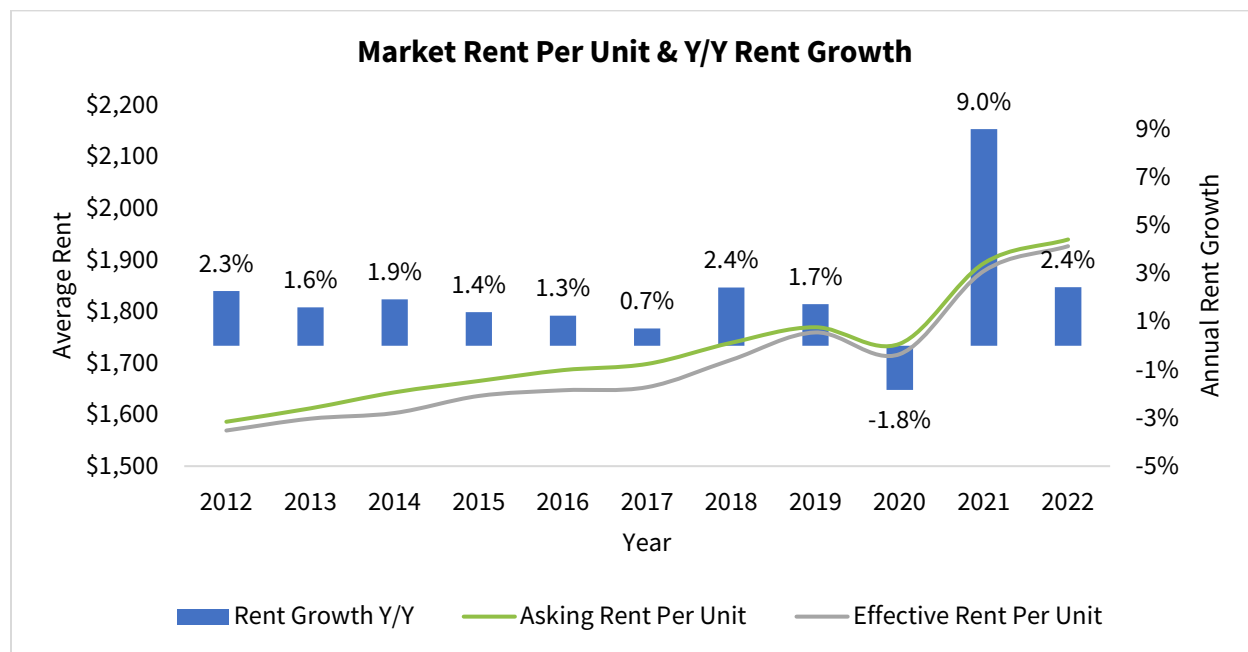
Bill 16-23 sets the maximum allowance for a rent increase is up to three percent or the rental component of the Consumer Price Index (CPI) percentage, whichever is lower. To determine the appropriateness of the proposed cap, Planning staff evaluated market rents and year over year rent growth (rent growth is the year over year change in the rent charged) with CoStar<sup>3</sup> data. The following chart shows average rent growth in the county, plotted against both the average asking rent and the average effective rent. Effective rent being the rent charged after concessions are taken out. Concessions could include a free month's rent or reduced rent.

On average, the county has experienced average rent growth of 2.1 percent per year since 2012. There are two notable outliers to this trend. In 2020, the county experienced declining rent growth in the wake of the pandemic, where the average rent in the county declined by nearly 2 percent. In 2021,

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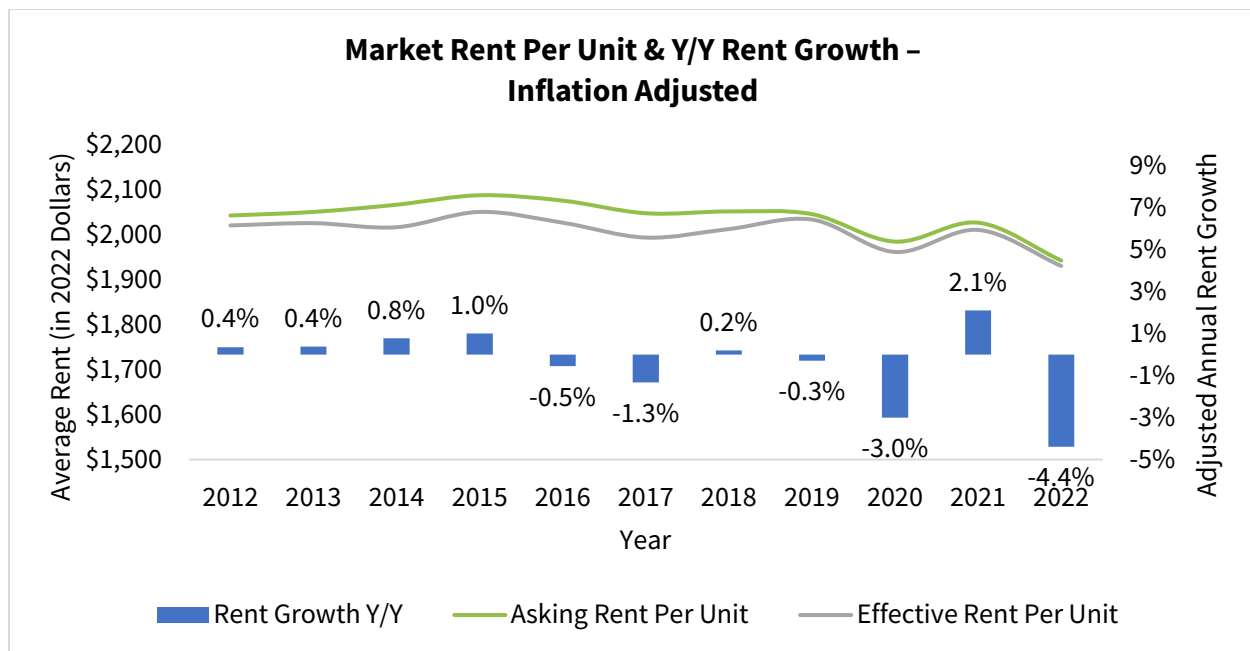
<sup>3</sup> The market rents reported by CoStar represent current asking rents of available rents. This data **does not** include in-place or renewal rents.

however, there was a huge rebound – the county recorded its highest rent growth on record at an average of 9 percent rent growth. By 2022, the strong rent growth experienced in 2021 subsided, and rent growth largely moved back in line with past trends at 2.4 percent. While it is too early to glean any trends for 2023 data, rent growth appears to be in line with 2022 trends through March, where average rent growth has returned to pre-pandemic levels.



Source: CoStar

Staff also considered rent growth adjusted for inflation. While the reality is that many renters did not have incomes that rose as fast as the rate of inflation, we are operating in a high inflationary market where property owners are experiencing rising costs too. After adjusting for inflation, rent growth in the county has been very modest. Since 2012, after adjusting for inflation (CoStar uses the CPI-U), rent growth, on average has been -0.5 percent. This means that rent growth in the county has generally not kept up with the rate of inflation.



## RENT CAP

Bill 16-23 sets the maximum allowance for a rent increase to three percent or the rental component of the Consumer Price Index (CPI) percentage, whichever is lower. Planning staff feels that the proposed maximum allowance for rent increases is too low. At the very minimum, rent regulations should cover inflation without having to petition the county for a fair return. To ensure timely upkeep of properties, inflation should be automatically included in the rent cap to cover rising costs. On top of covering inflation in setting the maximum allowance for a rent increase, a fixed percentage of an allowable increase should be included. **Staff recommends setting the fixed share in the 5-7 percent range, in addition to the variable CPI component.**

**Staff supports using the broader CPI-U instead of the rental component of the CPI.** CPI-U captures a broader range of price increases, is more reflective of what consumers are experiencing, and reflective of the cost increases that a landlord experiences in terms of labor, supplies, materials, etc.

As seen in the analysis section, if the rent growth is low in the county already, why do we need to set the cap higher? A rent cap so low that it may not even cover the cost of inflation will almost certainly cause a reduction in housing production. Rent stabilization policies as proposed in Bill 16-23 treat a symptom of a housing supply shortage – rising rents – but not the source of the problem, which is an inadequate supply of housing. As proposed, Bill 16-23 will inhibit our ability to increase our housing supply. A cap that's too low will also make financing projects more difficult, in an era where interest rates, construction costs and labor costs are rising, making it already hard for projects to pencil out. Planning staff believes it is important to provide flexibility when creating rent regulations to ensure



capital costs are covered and to ensure predictability to financing institutions who fund these housing projects, which is why staff recommends a higher maximum rent allowance than proposed.

## EXEMPTIONS

Staff has some suggested edits to the proposed exemptions.

First, “Moderately priced dwelling units in a building constructed after 2005 that is governed by a 99-year agreement with the County and that are affordable to families at 120%, or lower, of area median income” should be modified to read “Moderately priced dwelling units or DHCA equivalent affordable units and Workforce Housing Units in a building constructed after 2005 that is governed by a 99-year agreement with the County and that are affordable to families at 120%, or lower, of area median income.”

When an affordable unit produced under another federal, state or local affordable housing program is designated as an MPDU, the income limits and other requirements of that particular housing program apply during the compliance period for that program rather than the requirements set for the MPDU program. If the compliance period for that program is shorter than the MPDU Control Period (which it usually is), the MPDU requirements apply for the remainder of the MPDU Control Period, unless the Director of DHCA determines that the affordability term of the other program is equivalent to the MPDU requirement. Adding the words “DHCA equivalent affordable unit” ensures that this DHCA equivalent affordable unit under another program that is placed into the MPDU program is allowed to take advantage of the provision.

MPDUs usually set a maximum rental price of 70 percent of AMI, whereas Workforce Housing Units (WFHU) allow a maximum of 120 percent of AMI. Given the affordability maximum of the WFHU program is 120 percent of AMI, staff believes it appropriate to call out the Workforce Housing Unit program in the text of the Bill and not just MPDUs.

Second, Bill 16-23 includes two instances where after an application for exemption, DHCA must grant an exemption:

1. A rental facility that is subject to a regulatory agreement with a governmental agency that controls the rent levels of one or more rental dwelling units so that they are available only to low- and moderate-income tenants.
2. A newly constructed rental dwelling unit for a period of 10 years after it is first offered for rent.

**Staff recommends that both rental projects with affordable housing and new development should be exempted from rent stabilization without an application.** Even if the application is guaranteed, the added process of having the landlord apply seems unnecessary. For affordable housing projects, it is important to not add additional regulatory burdens that could discourage the production of affordable housing. Similarly, most affordable housing programs have built in guidelines for rent increases already, or at least guidelines for the maximum rent that can be charged.

Both the Housing Opportunities Commission (HOC) and affordable units in the county's Moderately Priced Dwelling Unit (MPDU) program generally do not raise rents above the county's Voluntary Rent Guidelines. Automatically exempting these units and other affordable units from the regulations helps ensure that investment in affordable housing is not hindered.

**Staff also recommends that that the exemption for new development for 10 years should be extended to 15 years.** This allows projects more assurance that they'll be able to recoup and cover costs, especially construction costs. Properties need to pay off construction loans in the first 10-20 years, which often requires a higher rate of return in those first years.

Bill 16-23 allows an exemption for buildings with two units, of which one is owner-occupied. Planning staff also believes that there should be a consideration for a different treatment for small multifamily buildings, which often have higher capital maintenance costs due to the lack of economies of scale. While the bill allows landlords to apply for an exemption due to hardship, it may be appropriate to allow a broader exemption for smaller buildings with less than 10 units. **Planning staff recommends an exemption for small buildings with less than 10 units.**

#### FAIR RETURNS PETITIONS

In Bill 16-23, A landlord has a right to petition for a rent increase to obtain a fair return, if the landlord proposes the rent increase should be more than allowed as proposed in Bill 16-23.

The landlord has the burden of proof and must submit a petition that includes income and expense information for DHCA to review and determine whether a fair return is permitted. If the petition is granted, the landlord must provide the tenant a 90-day notice before increasing the rent. If the petition is denied, the landlord has the right to appeal the decision to the Commission on Landlord-Tenant Affairs. DHCA also has the authority to "roll back" a rent increase if a fair return petition was submitted in bad faith.

A landlord must not file a fair return petition for a rent increase if a unit in the property is designated by the Department as "troubled" or "at risk" under Section 29-22(b). The unit for which the landlord is requesting the increase must have passed a rental housing inspection within one year of the application date.

**Staff supports the inclusion of a fair returns petition policy as it relates to Bill 16-23.** However, staff worries about the exclusion of "troubled" and "at risk" properties from the ability to file a fair petition for a rent increase, as those properties are often the ones that need the additional capital to cover maintenance costs to get the facility up to code. **Staff would recommend allowing the "troubled properties" and "at risk" to apply for a fair petition to increase rent, with the ability to roll back the petition if the expenses for repairs, services, or maintenance were never performed.**

While the text of the bill lays out some standards for the property owners to pursue the fair return, if implemented, staff would like to better understand how the process would play out. Staff worries about subjectivity of the decision and **Planning staff recommends laying out a process that clearly allows a landlord to receive the fair return if certain conditions or criteria are met.**

#### LIMITATIONS ON RENT INCREASES FOR VACANT UNITS

Rent increases are allowed for vacant returns that return to the market equal to the allowable annual rent increase for each year the unit was vacant, but not to exceed 30 percent of the base rent amount paid by the prior tenant.

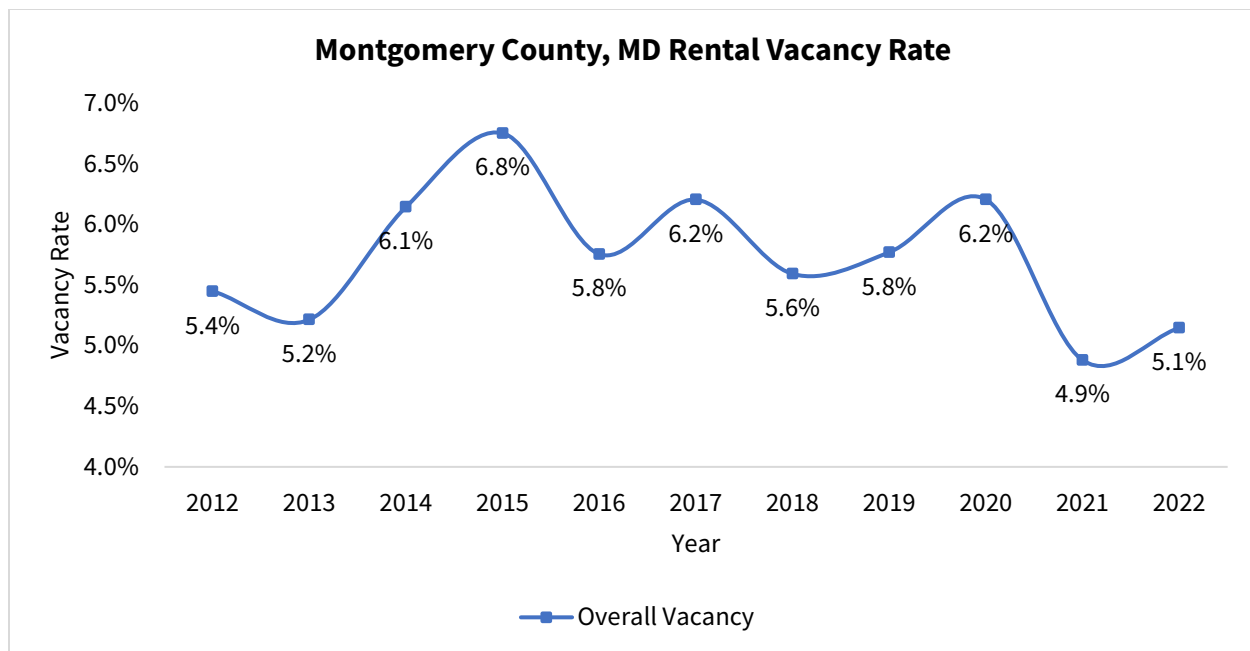
**Staff recommends there should be no cap for rent increase on vacant units.** This allows for property owners to recoup lost revenue and bring the unit up to existing market conditions.

#### RENTAL HOUSING VACANCY TAX

Bill 16-23 also establishes a rental housing vacancy excise tax. A property owner with two or more units, not condemned, and determined as vacant for more than 12 calendar months would be subject to the excise tax.

The rental housing vacancy tax is \$500 per year per unit subject to interest and penalties. Funds collected through the tax would go to the county's Housing Initiative Fund and could only be used for the acquisition of affordable housing and enforcement and administration of this bill. The tax would take effect one year after Bill 16-23 becomes law.

While a vacancy tax may be helpful to increase the housing supply and funding on the margins, it is not a substitute for building new housing. In 2022, the county's vacancy rate was around 5 percent, which signals that the county has more of a housing supply problem than a "too many vacant units" problem. **Staff does not recommend the Planning Board support a rental housing vacancy tax, as they believe that current market conditions make it unnecessary.**



Source: CoStar

## CONCLUSION

Staff do not support Bill 16-23 as written and would recommend several amendments to the bill. In summary, Planning staff:

- Recommend the allowable rent increase be modified to include a fixed percentage (in the 5-7 percent range) in addition to the annual Consumer Price Index rate.
- Believe that both rental projects with affordable housing and new development should be exempted from rent stabilization without an application.
- Recommend that the exemption for new development for 10 years be extended to 15 years.
- Recommend allowing “troubled properties” to be eligible for fair returns petitions to increase rent, with the ability to roll back the petition if the expenses for repairs, services, or maintenance were never performed.
- Recommend laying out a process that clearly allows a landlord to receive the fair return if certain conditions are met.
- Do not support the rental housing vacancy tax.

## ATTACHMENTS / LINKS

- 1) Bill 16-23
- 2) Planning Board Memo on Bill 52-20
- 3) CoStar Rent Analysis



**Committee:** PHP

**Committee Review:** At a future date

**Staff:** Ludeen McCartney, Legislative Attorney

**Purpose:** To introduce agenda item – no vote expected

**Keywords:** #rentstablization#thehomeact

AGENDA ITEM #1B

March 7, 2023

**Introduction**

## **SUBJECT**

Bill 16-23, Landlord-Tenant Relations – Rent Stabilization (The HOME Act)

Lead Sponsors: Councilmembers Jawando and Mink

## **EXPECTED ATTENDEES**

None

## **COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION**

- N/A; Bill introduction

## **DESCRIPTION/ISSUE**

Bill 16-23 would:

- (1) establish an annual maximum rent increase for rental housing in the County;
- (2) provide exemptions for certain buildings from rent stabilization requirements;
- (3) permit a landlord to submit a petition for a fair rent increase;
- (4) establish an excise tax for vacant rental units;
- (5) specify the use of certain tax revenues for the acquisition of affordable housing; and
- (6) generally amend County law concerning rent increase, landlord-tenant relations, and taxation.

## **SUMMARY OF KEY DISCUSSION POINTS**

- N/A

### **This report contains:**

Staff Report

Bill 16-23

Pages 1-4

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**M E M O R A N D U M**

March 2, 2023

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney

SUBJECT: Bill 16-23, Landlord-Tenant Relations – Rent Stabilization (The HOME Act)

PURPOSE: Introduction – no Council votes required

Bill 16-23, Landlord-Tenant Relations – Rent Stabilization (The HOME Act), sponsored by Lead Sponsors Councilmembers Jawando and Mink, is scheduled to be introduced on March 7, 2023.<sup>1</sup> A public hearing is tentatively scheduled for March 28, 2023, at 1:30 p.m. and 7:00 p.m. A Planning, Housing, and Parks (PHP) Committee worksession will be scheduled at a later date.

Bill 16-23 would:

- (1) establish an annual maximum rent increase for rental housing in the County;
- (2) provide exemptions for certain buildings from rent stabilization requirements;
- (3) permit a landlord to submit a petition for a fair rent increase;
- (4) establish an excise tax for vacant rental units;
- (5) specify the use of certain tax revenues for the acquisition of affordable housing; and
- (6) generally amend County law concerning rent increase, landlord-tenant relations, and taxation.

**BACKGROUND**

While the County does not have rent control or rent stabilization, the County Executive publishes annually by March 1 of each year, the Voluntary Rent Guidelines (VRG) to aid landlords with recommended percentages for a rent increase.<sup>2</sup> The VRG is based on the increase or decrease in the residential rental component of the Consumer Price Index for All Urban Consumers (CPI-U) for the local Washington-Arlington-Alexandria area.

Effective February 24, 2023, the VRG this year is 5.8%. As a reference, here is a chart provided by the Department of Housing Community Development Affairs (DHCA) that reflects the rates over the last 40 years, [Voluntary Rent Guideline Chart 1983 – 2023](#).

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<sup>1</sup> #rentstabilization #thhomeact

<sup>2</sup> See, Section 29-53 of the County Code.

Since 2020, the Council has reviewed, discussed, and enacted certain legislation that would limit a landlord from increasing rent during and following the COVID-19 pandemic emergency. Below is a legislative snapshot with efforts related to temporary rent stabilization:

*Legislative History of Council Bills Related to Limiting Rent Increases*

- [Expedited Bill 18-20 - Landlord-Tenant Relations - Rent Stabilization During Emergencies](#), also referred to as the COVID-19 Rent Relief Act was sponsored by Lead Sponsor Councilmember Jawando and Co-Sponsors former Council President Katz, and Councilmember Rice and Councilmember Navarro, was introduced on April 14, 2020, and enacted by the Council on April 24, 2020.

The law prohibited a landlord from increasing rent during a catastrophic emergency (defined as a COVID-19 emergency declared by Governor Hogan) or providing notice of a rent increase until 30 days after the emergency expires. Under this Act, the temporary rent stabilization law was sunset on November 15, 2021, 121 days after the Governor declared the emergency had expired. This law is no longer in effect.

- [Bill 52-20, Landlord-Tenant Relations – Protection Against Rent Gouging Near Transit](#), Sponsored by Councilmember Jawando and introduced on December 8, 2020. Bill 52-20 would seek to prevent rent increases for rental units near transit stations and establish a base rent amount for those units, among other things. This bill is still pending before the Council with no immediate date set for a Committee worksession.
- [Expedited Bill 30-21, Landlord-Tenant Relations – Restrictions Following Emergencies – Extended Limitations](#), sponsored by Councilmember Jawando and introduced on July 13, 2021. Bill 30-21 was enacted by the Council on November 9, 2021, to extend the limitation for a rent increase, which was already provided for in Expedited Bill 18-20 (see above).

Specifically, the law continued the limitation on rent increases and extend the timeframe from 90 days to 1 year after the expiration of the emergency – this would extend until August 15, 2022. In addition, it prohibited landlords from charging late fees that accrued during the emergency until August 15, 2022. The rent increase restriction following the COVID-19 emergency is now expired and is no longer in effect.

- [Expedited Bill 22-22, Landlord-Tenant Relations – Limitations on Rent Increases](#), Sponsored by the Council President on behalf of the County Executive. Introduced on July 12, 2022. Expedited Bill 22-22 would seek to temporarily limit rent increases to no more than 4.4% for up to six months. This Bill had a Committee worksession on October 24, 2022, with no further action scheduled.

*Other Jurisdictions with Rent Control or Rent Stabilization laws*



Maryland does not have statewide rent control; however, some cities and counties do have provisions related to rent control. For example, Washington County and Frederick County have enabling legislation to enact laws or regulations to control increases in rent. The City of Takoma Park has rent stabilization laws in effect since August 2013 with provisions related to increases, frequency of rent increases, notice to tenants, and reporting requirements.<sup>3</sup> Prince George’s County recently enacted Council Bill-007-2023 on February 28, 2023, a temporary rent stabilization act that would limit rent increases by up to 4% for a 12-month period.

There are approximately 22 other states that have rent control, including Washington D.C., California, and New York.

### **SPECIFICS OF THE BILL**

Bill 16-23 would generally prohibit a landlord of a rental dwelling unit from increasing a tenant’s rent more than the maximum allowed. Under Bill 16-23, **the maximum allowance for a rent increase is up to 3% or the rental component of the Consumer Price Index (CPI)<sup>4</sup> percentage, whichever is lower.** The increase may only occur once within a 12-month period and the landlord must provide at least a 90-day notice before increasing the rent. Landlords would be required to submit annual reports regarding their rent amounts to DHCA.

DHCA is required to post on its County Register and website the annual maximum allowance and notify landlords of licensed rental dwelling units.

Subject to limitations, a landlord may be authorized to “bank” any forgone revenue and apply it to a future year, but this is dependent on whether the CPI is above or below the 3% standard. The Bill also provides certain restrictions for units after a vacancy by a tenant, and for vacant units that return to the market for rent, there is an option to include an allowable rent increase for each year it was vacant, up to a maximum amount, see lines 146-165.

Rent stabilization would not apply to certain rental properties. Specifically, newly constructed units for ten years, accessory dwelling units, certain owner-occupied properties, with at least two dwelling units, certain MPDU buildings, health facilities, religious and non-profit organizations, and licensed facilities, among others, would be exempt.

#### *Fair Return Petition*

Generally, a landlord has a right to petition for a rent increase to obtain a fair return, if the landlord proposes the rent increase should be more than allowed in this Article. The landlord has the burden of proof to submit a petition that includes income and expense information for DHCA to review and determine whether a fair return is permitted. If the petition is granted, the landlord must provide the tenant a 90-day notice before increasing the rent, if a petition is denied, the landlord has the right to appeal to the Commission on Landlord-Tenant Affairs. DHCA also has the authority to “roll back” a rent increase if a fair return petition was submitted in bad faith.

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<sup>3</sup> Takoma Park Rent Stabilization Law, City Code Chapter 6.20 Rent Stabilization  
<https://www.codepublishing.com/MD/TakomaPark/#!/TakomaPark06/TakomaPark0620.html>

<sup>4</sup> Bill 16-23 defines, Consumer Price Index (CPI) means the residential rent component of the Consumer Price Index for All Urban Consumers for the Washington-Arlington-Alexandria Core Based Statistical Area (CBSA), or any successor, designation of that index that may later be adopted by the United States Bureau of Labor Statistics.

*Rental Housing Vacancy Tax*

This Bill establishes a rental housing vacancy excise tax. An owner of rental property with two or more units, not condemned, and determined by DHCA as vacant for more than 12 calendar months would be subject to the excise tax. The rental housing vacancy tax is \$500 per year per unit subject to interest and penalties. Funds collected through the tax would be deposited and credited to the County's Housing Production Fund (the Housing Initiative Fund – HIF) and can only be used for the acquisition of affordable housing and enforcement and administration of this Act. The tax would take effect 1 year after this Act becomes law.

This packet contains:  
Bill 16-23

Circle #  
1

Bill No. 16-23  
Concerning: Landlord-Tenant Relations –  
Rent Stabilization (The Home Act)  
Revised: 2/28/2023 Draft No. 5  
Introduced: March 7, 2023  
Expires: December 7, 2026  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsors: Councilmembers Jawando and Mink

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**AN ACT** to:

- (1) establish an annual maximum rent increase for rental housing in the County;
- (2) provide exemptions for certain buildings from rent stabilization requirements;
- (3) permit a landlord to submit a petition for a fair rent increase;
- (4) establish an excise tax for vacant rental units;
- (5) specify the use of certain tax revenues for the acquisition of affordable housing; and
- (6) generally amend County law concerning rent increase, landlord-tenant relations, and taxation.

By adding

Montgomery County Code

Chapter 29, Landlord-Tenant Relations

Article VIII. Rent Stabilization

Sections 29-81, 29-82, 29-83, 29-84, 29-85, 29-86, 29-87, 29-88, 29-89, and 29-90

Chapter 52, Taxation

Sections 52-21, 52-60, 52-61, 52-62, 52-63, 52-64, and 52-65

**Boldface**

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

\* \* \*

Heading or defined term.

*Added to existing law by original bill.*

*Deleted from existing law by original bill.*

*Added by amendment.*

*Deleted from existing law or the bill by amendment.*

*Existing law unaffected by bill.*

*The County Council for Montgomery County, Maryland approves the following Act:*

1       **Sec. 1. Short Title.**

2       This Act may be cited as “The Housing Opportunity, Mobility, and Equity  
3       (HOME) Act.”

4       **Sec. 2. Article VIII (Sections 29-81, 29-82, 29-83, 29-84, 29-85, 29-86, 29-86,**  
5       **29-87, 29-88, 29-89, and 29-90) of Chapter 29 and Article VI (Sections 52-21, 52-**  
6       **60, 52-61, 52-62, 52-63, 52-64, and 52-65) of Chapter 52 are added, as follows:**

7                       **Article VIII. Rent Stabilization.**

8       **29-81. Definitions.**

9       In this Section, the following terms have the meanings indicated:

10           Base rent means a fixed periodic sum charged for the use and occupancy  
11           of a unit or property, as agreed to, by the tenant and stated in the lease.

12           Base rent does not include other charges or payments to cover operating  
13           or maintenance expenses, even if the lease characterizes the charges as  
14           “rent” or “additional rent.”

15           Consumer Price Index (CPI) means the residential rent component of the  
16           Consumer Price Index for All Urban Consumers for the Washington-  
17           Arlington-Alexandria Core Based Statistical Area (CBSA), or any  
18           successor, designation of that index that may later be adopted by the  
19           United States Bureau of Labor Statistics.

20           Fair return means the base year net operating income adjusted by 70%  
21           of the percentage increase in the Consumer Price Index from the base  
22           year until the effective date of this Act.

23           Rental dwelling unit or rental housing means a residential building or unit  
24           licensed for rent or lease, and is designated, intended, or arranged for use  
25           or occupancy as a residence by one or more persons. A rental dwelling  
26           unit or rental housing includes a unit in a single-family home, townhome,  
27           condominium, or multifamily dwelling.

Newly constructed rental dwelling unit means a rental unit that, when constructed, results in a net gain, or an additional number of new rental units more than the number of rental units that previously existed, provided that the size of an existing rental unit or any indoor common area of the rental facility is not reduced. A newly constructed rental dwelling unit does not include reconfiguration, renovation, alterations, change in description, or change in identification of a rental unit.

Operating expense means all reasonable operating and maintenance expenses.

Tenant has the same meaning as stated in Section 29-1.

## **29-82. Application of rent stabilization – scope.**

(a) Scope. Except as provided in Sections 29-83 and 29-84, this Article applies to all rental dwelling units.

(b) Rent increase. A rent increase must be limited to the amount authorized by this Article for a rental dwelling unit.

## **29-83. Buildings exempt from rent stabilization without an application.**

(a) Scope of exemptions. This Article does not apply to:

- (1) a licensed facility that is used primarily for the diagnosis, cure, mitigation, and treatment of illnesses;
- (2) a dwelling unit owned or leased by an organization exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and used primarily to provide temporary sanctuary or shelter for qualified individuals;
- (3) an owner-occupied group home;
- (4) a religious facility such as a church, synagogue, parsonage, rectory, convent, and parish home;

- (5) group living facilities as defined in Section 59-3.3.2 of the Zoning Ordinance;
- (6) a dwelling unit governed by a State or County agreement that limits the rent charged and the agreement remains in effect;
- (7) moderately priced dwelling units in a building constructed after 2005 that is governed by a 99-year agreement with the County and that are affordable to families at 120%, or lower, of area median income;
- (8) a transient lodging facility subject to Chapter 54;
- (9) a school dormitory;
- (10) a licensed assisted living facility or nursing home;
- (11) an accessory dwelling unit; and
- (12) a building originally constructed to contain only two dwelling units, one of which the owner occupies as a permanent residence.

**29-84. Application for grant of exemption.**

- (a) Grant of exemption. After submission of an application by an owner, the Department must grant an application for an exemption from this Article for the following:
  - (1) a rental facility that is subject to a regulatory agreement with a governmental agency that controls the rent levels of one or more rental dwelling units so that they are available only to low- and moderate-income tenants; or
  - (2) a newly constructed rental dwelling unit for a period of 10 years after it is first offered for rent.
- (b) Termination of exemption.

(1) An exemption granted under subsection (a)(1) of this Section expires upon the termination of the agreement with the governmental agency entitling the rental facility to the exemption.

(2) Exemptions granted pursuant to subsection (a)(2) of this Section must expire on the ten-year anniversary date of the issuance of the rental housing license, regardless of when the application for an exemption was made by the owner.

(c) Rents after termination of exemption.

(1) For rental dwelling units receiving an exemption under subsection (a)(1) of this Section, after the termination of the exemption, the base rent for the unit and the reference point from which the rent must be increased in accordance with this Article must be the allowable rent as reported in the annual rent report, under Section 29-87(a), for each unit at the time the exemption commenced plus the annual rent increase allowance for each year that the unit was exempt.

(2) For rental dwelling units receiving an exemption under subsection (a)(2) of this Section, after the termination of the exemption, the base rent for the units and the reference point from which the rent must be increased in accordance with this Article must be the rent for each unit set forth in the most recent annual rent report, under Section 29-87(a), preceding the expiration of the exemption. For any units not rented when the exemption period terminates, the base rent must be the rent charged when the unit is first rented to a tenant. If the actual rent paid by a tenant differs from the rent stated in the report or the lease, then the lesser of the two must be the base rent.



**29-85. Base rent for certain units – established.**

(a) Reset of base rent for owner-occupied condominiums. When the owner, or successive owners, of a condominium unit, occupies the unit for at least 24 consecutive months as a principal residence, the owner may charge market rent for the unit when the owner rents the unit to a tenant. The rent the owner charges the tenant must establish the base rent for the unit until the owner again occupies the unit for at least 24 consecutive months. If the actual rent paid by the tenant differs from the rent stated in the lease, then the lesser of the two must be the base rent.

(b) Rents following the sale of a condominium unit. The owner of a condominium unit that purchases a condominium unit in a bona fide arms-length transaction may charge market rent for the unit when the owner first rents the unit to a tenant after purchasing the unit. The rent the owner charges the tenant must establish the base rent for the unit until the owner occupies the unit for at least 24 consecutive months. If the actual rent paid by the tenant differs from the rent stated in the lease, then the lesser of the two must be the base rent.

(c) Base rent for certain rental units not subject to rent increase. For rental dwelling units that are subject to rent stabilization, the base rent must be the rent charged for the unit when the unit is first rented to a tenant after the effective date of this Act. If the actual rent paid by the tenant differs from the rent stated in the lease, then the lesser of the two must be the base rent.

**29-86. Annual rent increases – allowance; notice, frequency; and vacant units.**

(a) Annual rent increases.

(1) Maximum allowance. A landlord must not increase the base rent for any rental housing unit by an amount greater than 3% per year,

or the increase in the rental component of the CPI from March 1 of the preceding year to March 1 of the current year, whichever is lower.

(2) Notice of rent increase allowance by the Department. The Department must calculate an annual rent increase allowance and notify each landlord by publishing it in the County Register and on the County's website.

(3) Time period for increase. The annual rent allowance remains in effect for a 12-month period beginning July 1 of each year and ending on June 30 of the following year.

(4) Banking permitted based on CPI. A rent increase less than permitted in this Section may be banked as provided in Section 29-88.

(5) Rent increase following vacancies.

(A) Vacant rental unit – banking allowed. If a unit previously vacant returns to the market for rent, the new rental amount may include the allowable annual rent increase for each year the unit was vacant, but not to exceed 30% of the base rent amount paid by the prior tenant.

(B) Rent increase following a tenant vacancy – prohibited. A landlord, who terminates a tenancy for a reason not provided for in the lease or during the first year of a tenancy, may not reset the rent for the next tenant in an amount higher than the base rent paid by the prior tenant. Any subsequent rent increase must be in accordance with this Section.

(b) Frequency of rent increases. Except as provided in subsection (b)(1), a landlord must not increase the base rent for any rental housing unit more often than allowed under Section 29-54.

(1) A base rent may be increased in accordance with the terms and the conditions of a fair return increase petition approved by the Department under Section 29-89.

(c) Notification of annual rent increase. A landlord must provide notification of a rent increase as required under Section 29-54.

**29-87. Annual reporting requirements.**

(a) Reporting requirements. By September 30 of each year, a landlord of any rental housing must complete and submit to the Department a rent report for the 12-month period ending on the preceding June 30 on a form provided by and in the manner prescribed by the Department.

(b) Penalty for failure to comply with reporting requirements. Failure to file a complete or accurate rent report by September 30 of each year must constitute a Class A violation of this chapter unless an extension of time for a good cause is granted by the Department.

**29-88. Banking of authorized annual rent increases.**

(a) Authorized banking based on CPI metric. A landlord may bank foregone revenue when the CPI metric is above 3% and may determine to recover the foregone rent increase in subsequent years when the CPI metric is below 3%.

(b) Limit on banking rent increases. A landlord is not permitted to bank increases for a period greater than 5 years.

(c) Subject to fair return petition. Under this Section, a landlord must not exceed the 3% rent increase allowance unless an application for a fair return petition is granted.

**29-89. Rent increases pursuant to a fair return petition.**

(a) Fair return rent increase. Except as provided in subsection (b), a landlord has a right to petition for a rent increase to obtain a fair return.

(b) Exemption from fair return petition. A landlord must not file a fair return petition for a rent increase if a unit in the property is designated by the Department as “troubled” or “at risk” under Section 29-22(b). The unit for which the landlord is requesting the increase must have passed a rental housing inspection within one year of the application date.

(c) Standards for rent increases pursuant to a fair return petition.

(1) Base year. The base year for submission of a fair return petition must be the preceding year prior to the submission of the fair return petition.

(3) Current year. The current year must be the 12-month period preceding the date that the petition is filed.

(4) Current year CPI. The current year CPI must be the annual CPI for the 12-month period preceding the date that the petition is filed.

(5) Net operating income. Net operating income equals gross income minus operating expenses.

(6) Base year net operating income. The base year net operating income may be calculated, at the option of the landlord, to equal 40% of the gross income of the rental facility in the prior preceding year.

(7) Gross income. Gross income is the annual scheduled rental income for the property based on the rents and fees (other than fees that are reimbursed by the tenants) the landlord included as part of the rental agreement or lease.

(8) Operating expenses. Operating expenses may include the following:

(A) utilities paid by the landlord, unless the costs are specified in the lease and passed through to the tenants;

(B) administrative expenses, such as advertising, legal fees, and accounting fees;

(C) management fees, whether performed by the landlord or a property management firm. It is assumed that management fees increased by the percentage increase in the CPI between the base year and the current year, unless the level of management services either increased or decreased during this period. Management fees must not exceed 6% of gross income unless the landlord demonstrates by a preponderance of the evidence that a higher percentage is reasonable;

(D) payroll;

(E) the amortized cost of capital improvements. An interest allowance must be allowed on the cost of amortized capital expenses; the allowance must be equal to the interest the landlord would have incurred had the landlord financed the capital improvement with a loan for the amortization period of the improvement, making uniform monthly payments, at an interest rate equal to the Federal Reserve Board bank prime loan rate as of the date of the initial submission of the petition plus 2% per annum;

(F) maintenance-related material and labor costs, including self-labor costs computed in accordance with any regulations adopted pursuant to this Section;

(G) property taxes;

(H) licenses, government fees, and other assessments; and

(I) insurance costs.

(9) Reasonable operating and maintenance expenses do not include:

(A) expenses for which the landlord has been or will be reimbursed by any security deposit, insurance settlement, judgment for damages, agreed-upon payments, or any other method;

(B) payments made for mortgage expenses, either principal or interest;

(C) judicial and administrative fines and penalties;

(D) damages paid to tenants as ordered by COLTA or the courts;

(E) depreciation;

(F) late fees or service penalties imposed by utility companies, lenders, or other entities providing goods or services to the landlord or the rental facility;

(G) membership fees in organizations established to influence legislation and regulations;

(H) contributions to lobbying efforts;

(I) contributions for legal fees in the prosecution of class-action cases;

(J) political contributions for candidates for office;

(K) any expense for which the tenant has lawfully paid directly or indirectly;

(L) attorney's fees charged for services connected with counseling or litigation related to actions brought by the County, unless the landlord has prevailed in such an action;

(M) additional, expenses incurred as a result of unreasonably deferred maintenance; and

(N) any expense incurred in conjunction with the purchase, sale, or financing of the rental facility, including, loan fees, payments to real estate agents or brokers, appraisals, legal fees, or accounting fees.

(10) When an expense amount for a particular year is not a reasonable projection of ongoing or future expenditures for that item, said expense must be averaged with other expense levels for other years or amortized or adjusted by the CPI or may otherwise be adjusted, to establish an expense amount for that item which most reasonably serves the objectives of obtaining a reasonable comparison of base year and current year expenses.

(c) Rent increase petition based on fair return standard.

(1) Form of petition. Whenever a landlord proposes a rent increase of more than the amount permitted by this Article, the landlord must file a petition with the Department on a form provided by the Department.

(2) Income and expenses. A landlord must submit net operating income and expense information. The landlord must submit income and expense information for the two years prior to the current year with the petition.



(3) Petition restrictions. A petition filed pursuant to this Section must address an entire rental facility. The landlord filing a petition must own the rental facility for the entire current year.

(4) Adjustments to petition – base year net operating income.

(A) Adjustment of base year net operating income by Department. If the Department determines that the base year net operating income yielded other than a fair return, the base year net operating income may be adjusted. To adjust the base year net operating income, the Department must make at least one of the following findings:

i. base year net operating income was abnormally low due to one of the following factors:

(a) the landlord made substantial capital improvements that were not reflected in the base year rents and the landlord did not obtain a rent adjustment for these capital improvements;

(b) substantial repairs were made due to exceptional circumstances; or

(c) other expenses were unreasonably high, notwithstanding prudent business practice.

ii. base year rents did not reflect market transactions, due to one or more of the following types of circumstances:

(a) there was a special relationship between the landlord and tenant resulting in abnormally

315 low rent charges (such as a family  
 316 relationship);

317 (b) the rents had not been increased for five years  
 318 preceding the base year;

319 (c) the tenant lawfully assumed maintenance  
 320 responsibilities in exchange for low rent  
 321 increases or no rent increases; or

322 (d) other special circumstances which establish  
 323 that the rent was not set as the result of an  
 324 arms-length transaction.

325 (B) Establishment of a new base year net operating income –  
 326 prior year petitions. The net operating income, income, and  
 327 expenses, determined to be fair and reasonable pursuant to  
 328 a prior petition for a fair return rent increase, constitute the  
 329 base year income, expenses, and net operating income in the  
 330 new petition.

331 (d) Consideration of fair return petition by the Department.

332 (1) Issuance of a decision by the Department. The Department  
 333 must endeavor to issue its preliminary decision ruling on the  
 334 petition within 90 days of the review or hearing on the  
 335 petition. Upon its determination of the rent increase to be  
 336 granted to the landlord, the Department must issue a  
 337 decision and furnish a copy of the decision to the landlord.

338 (e) Rejection of petition.

339 (1) The Department must not consider the fair return  
 340 petition submitted by the landlord:

(A) until the properly completed petition form,  
including required supporting documentation,  
has been submitted to the Department;

(B) when the landlord has not properly registered  
the rental property with the County or when  
the landlord has outstanding fees or fines with  
the Department;

(C) when the landlord has not filed required rent  
reports for the 3 years prior to the filing date of  
the petition, provided that the Department  
may, at its discretion, waive the above  
requirement for good cause shown; or

(D) when the landlord has failed to comply with a  
final order of the Department concerning any  
rental unit owned by the landlord in the  
County. However, the failure to comply with  
an order of the Department must not constitute  
a basis to decline to consider the landlord's  
request if the order has been appealed to a  
court and no decision has been rendered on  
appeal.

(2) If the Department declines to consider the landlord's  
request it must provide a written explanation for its  
action.

(f) *Ceiling on fair return adjustments.*

(1) *Fair return rent increases on occupied rental units. Fair*  
*return rent increases must not exceed 15% in any 12-month*

period. If the Department awards a fair return rent increase greater than 10%, then the landlord may impose the remainder of the increase in subsequent years in increments not to exceed 10% each year.

(2) Fair return rent increase following a vacancy. If the Department determines that a rental unit requiring an increase of more than 10% is vacant, the Department must allow the increase for that unit to be taken in one year, provided the unit became vacant as a result of:

(1) a voluntary termination by the tenant; or

(2) termination of the tenancy by the landlord for breach of the lease.

(g) Notification requirements.

(1) Notice of petition for a rent increase. The landlord must provide written notification to each tenant affected by a proposed rent increase within one week after the filing date of the petition. Such notification must include a copy of the petition form and a listing of all requested rent increases.

(2) Notice of a rent increase granted pursuant to a rent increase petition. The landlord must provide written notice to each affected tenant of the rent increase which has been authorized by the Department, no less than 90 days prior to the date the proposed increase is to take effect.

(h) Rollbacks - bad faith fair return petitions.

(1) Authority to require rollback. At the consideration of a fair return petition, if the Department finds that the adjusted base year net operating income included in the petition is less

than the actual petition year net operating income of the landlord and the fair return petition was filed in bad faith, the Department may require the landlord to rollback the rents charged on the rental units covered by the petition to result in a net operating income equal to the adjusted base year net operating income.

(2) *Purpose of rollbacks.* The purpose of the rollback provision in this subsection is to ensure that fair return petitions are filed in good faith, that the landlord reviews the records of the rental property for which rent increases are sought to ensure that a rent increase is justified under this Section and to balance both the tenant and the landlord interests in each petition to increase rents above the rent stabilization allowance.

(3) *Determination of bad faith by the Department.*

(A) The Department may determine whether bad faith existed when a landlord:

- (i) listed expenses for repairs or services never performed;
- (ii) materially misrepresented expenses claimed;
- (iii) knowingly filed a false rent report, in whole or in part; or
- (iv) acted in some manner which is a clear abuse of the petition process.

(B) The Department must not constitute the following as bad faith under this Section:

- (i) miscalculations and simple mathematical errors; or

(ii) claims for expenses or other items which are not specifically addressed in this Section and which the Department disallowed, but which could plausibly have fallen within this Section.

(C) The Department must verify the information upon which it makes its findings of bad faith and must issue a decision clearly stating the basis for its finding. The landlord must notify all tenants affected by the rent rollback, and, if the landlord was permitted to increase rents by the rent increases allowance pending a decision on the fair return petition, all rent increases so collected must be refunded to the affected tenants within 30 days. If the landlord fails to roll back the rent or fails to refund the rent increases collected, the affected tenants may begin paying the rolled-back rent or may deduct any rent refunds or rollbacks owed to the tenants in accordance with paragraph a of this Section.

(i) Department authority in setting rents. Notwithstanding any other provision of this Chapter or regulations instituted pursuant to this Article, the Department must consider any factors required by law and grant whatever rent increase is constitutionally required in order to yield a fair return.

(j) Burden of Proof. The landlord must have the burden of proof in demonstrating that a rent increase should be authorized pursuant to this Section.

(k) Appeal. A landlord that disputes the Department's calculation of income and expenses may appeal that determination under Section 29-14 to the

Commission on Landlord-Tenant Affairs which may decide whether the calculation is correct.

- (l) Regulations. The County Executive may establish Method (1) regulations to administer this Section.

**29-90. [Reserved.] Enforcement.**

- (a) Consistent with the provisions in Chapter 29, this Section would be enforced by the Department of Housing and Community Affairs.

- (b) Complaints by a tenant or landlord must be filed in accordance with Article V of Chapter 29.

**Article VI. [RESERVED] Rental Housing Vacancy Tax – Excise Tax.**

**52-21. Excise tax; property lien.**

- (a) In this section:

- (1) Excise tax:

(A) [a.] Is any tax not directly imposed on the property; and

(B) [b.] Includes but is not limited to fuel-energy taxes, telephone taxes, room rental transient taxes, beverage container taxes, [and] transfer taxes, and rental housing vacancy taxes.

**52-60. [Reserved.] Definitions.**

The words and phrases used in this Section, have the following meaning:

Calendar year means tax year and applies to the period between July 1 - June 30.

Department means the Department of Housing and Community Affairs.

Director means the Director of Finance or the Director's designee.

Dwelling unit has the same meaning as in Section 29-56.

Owner means any person, agent, operator, firm, or corporation having a legal or equitable interest in a property; or recorded in the official records of the State or County as holding title to a property; or otherwise having charge, care, or control

of the property, including the guardian, executor or administrator of the estate of any such person.

*Vacant dwelling* has the same meaning as in Section 26-20.

**52-61. [Reserved.] Imposition of tax; flat tax rate.**

(a) Except as provided in Section 52-62, the Director has the authority to impose, collect, and administer a rental housing vacancy tax against an owner of rental housing.

(b) An annual rental housing vacancy tax must be imposed when:

(1) an owner of a dwelling has more than 2 rental units on premises;

(2) the dwelling unit is not considered condemned under Section 26-13; and

(3) the dwelling unit has been determined by the Department as vacant for more than 12 calendar months.

(c) *Flat tax rate.*

(1) The rental housing vacancy tax must be a flat rate of \$500 per year per dwelling unit.

(2) The County Council by resolution, after a public hearing advertised under Section 52-17(c), may increase, or decrease the rate set in subsection (c)(1).

(3) The County Executive may further specify the administration of this tax by Method (2) regulation.

**52-62. [Reserved.] Exemptions.**

(a) This Article does not apply to:

(1) any agency of the State or the United States;

(2) any organization that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;



- (3) owner-occupied single-family home;
- (4) an accessory dwelling unit;
- (5) the owner of the property who is deceased;
- (6) the owner of the property undergoing any medical care; or
- (7) major renovations are being completed to the property.

**52-63. [Reserved.] Collection of tax.**

(a) Collection of tax – general. The Director must collect the tax in the same manner as County real property taxes, apply interest and penalties as provided under Section 52-64, and other remedies, including property lien, if the tax is not paid.

(b) Use of funds – Housing Production Fund. All revenue collected under the rental housing vacancy tax must be deposited and credited to the Housing Production Fund (“Fund”) as established by the Montgomery Housing Initiative under Section 25B-9. The Fund must be subject to appropriation and fiscal provisions in the Charter. Funds provided for in the Housing Production Fund must only be used for:

- (1) the acquisition of affordable housing; and
- (2) enforcement and administration of this Article.

(c) Vacant units identified by the Department.

(1) The Department must assess and determine based on the annual rental housing survey data required under Section 29-51, the number of vacant rental units and whether a unit was occupied for more than 12 calendar months, or the owner qualified for an exemption under this Article.

(2) By April 15 of each year, the Department must provide any information under subsection (c)(1), or documentation required by

the Department of Finance to calculate the amount of the tax for  
the preceding calendar year.

**52-64. [Reserved.] Interest and penalties.**

(a) If an owner does not pay the Director the tax due under Section 52-61,  
the owner is liable for:

(1) interest on the unpaid tax at the rate of 1% per month for each  
month or part of a month after the tax is due; and

(2) a penalty of 5% of the amount of the tax per month or part of a  
month after the tax is due, not to exceed 25% of the tax.

(b) The Director must collect any interest and penalty as part of the tax.

**52-65. [Reserved.] Appeal.**

A person aggrieved by a final determination of tax or by a denial of a claim for  
refund may, within 6 months from the date of assessment of the deficiency or  
from the date of the denial of a claim for refund, appeal to the Maryland Tax  
Court of Appeals the in the same manner as any other tax grievance.

**Sec. 2. Transition; effective date.** Article VI of Chapter 52 of this Act must  
take effect 1 year after this Act becomes law.

**M E M O R A N D U M**

February 23, 2023

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney

SUBJECT: Bill 16-23; Landlord-Tenant Relations – Rent Stabilization (The Home Act)

PURPOSE: **Introduction Addendum** – To introduce and item.

Bill 16-23, Landlord-Tenant Relations – Rent Stabilization (The Home Act), sponsored by Lead Sponsors Councilmembers Jawando and Mink, is scheduled to be introduced on March 7, 2023.<sup>1</sup>

The purpose of this addendum is to include a memorandum from the Lead Sponsors for the Bill. The Lead Sponsor Memorandum is attached at © A1.

This packet contains:

Circle #

Lead Sponsor Memorandum

© A1

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<sup>1</sup> #rentstabilization #thehomeact



March 6, 2023

Dear Colleagues,

Like you, we have heard concerns from residents across the county about the cost of living and the impact of high rent increases. Today, we are responding with the introduction of the H.O.M.E. Act.

We are pleased to share letters of support from landlords, tenants and legislators, as well as labor unions and community organizations, including:

- Montgomery County Education Association (MCEA)
- UFCW Local 1994 MCGEO
- SEIU Local 500
- Shepherd's Table
- African Communities Together
- BIPOC MoCo Green New Deal
- CASA
- Everyday Canvassing
- Glen Echo Heights Mobilization
- IMPACT Silver Spring
- International Organization for Education and Social Services
- Jews United for Justice
- Montgomery County Young Democrats (MCYD)
- Maryland Poor People's Campaign
- MoCo 350
- MoCo DSA
- Montgomery County Racial Equity Network
- Our Revolution Montgomery County
- Progressive Maryland
- Sunrise Silver Spring
- Prince George's County Councilmember Krystal Oriadha
- Delegate Gabriel Acevero (D-39)

We look forward to a robust debate on how we can best protect renters from financial uncertainty, rising costs, and displacement.

Sincerely,

Councilmember Kristin Mink

Councilmember Will Jawando



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

March 6, 2023

**Re: Rent Stabilization – Bill 16-23: The Housing Opportunity, Mobility  
and Equity Act**

To the Montgomery County Council:

I am Delegate Gabriel Acevero of District 39 which includes the communities of Gaithersburg, Montgomery Village, Washington Grove, Clarksburg, and Germantown, representing one of the most diverse districts in the country.

I am writing in support of Council Bill 16-23, The H.O.M.E. Act, introduced by Councilmembers Will Jawando and Kristin Mink establishing an annual maximum rent increase cap at 3 percent, with consideration and alternative options provided for landlords in unique positions through the Fair Return Petition.

As a renter, I have seen my neighbors' rents go up as much as \$300 per month. For many residents and families across our county, with these recent rent increases, there is a choice to be made between securing either home utilities or necessities. We need stronger rent protection laws including rent stabilization with a cap at 3 percent.

Montgomery County is one of the most expensive communities to live in. Many of our residents are still reeling from the pandemic and they often pay disproportionately higher monthly and annual housing expenses than renters in neighboring counties.

Prince Georges County Council recently passed rent stabilization package with a cap of 3 percent. I applaud our neighbors and believe that Montgomery County should follow suit and provide much needed protections and relief to families in my district and across our county.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gabriel Acevero".

Delegate Gabriel Acevero



Krystal Oriadha  
Council Member  
District 7

Ready To Serve!

March 6, 2023

Dear Council President Glass, Council Vice President Friedson, and members of the Montgomery Country Council,

I write to you today in support of Bill 16-23, Landlord-Tenant Relations - Rent Stabilization (The HOME Act). As a member of the Prince George's County Council and with alignment to the People's Agenda, I believe that housing is a human right. In Prince George's, we have experienced the housing crisis that came with the pandemic. Residents have not been able to afford their rents due to high costs and high increases in rent. Yearly, rent increases continue to rise as high as 51% for individuals and families who are still recovering from the economic strains that many experienced because of the pandemic.

My colleagues and I worked with advocates and stakeholders to pass CB-007, the Rent Stabilization Act, which ensures that landlords cannot increase rent to tenants by more than 3%. We passed this with the support of nine Councilmembers, County Executive Angela Alsobrooks, and advocates to ensure that Prince Georgian's are able to remain in their homes and our region for job opportunities, school quality, and cultural diversity. Through several Council Bills, we hope to stabilize housing so that it is accessible to all county residents. This is why I am in such strong support for Bill 16-23, as I believe that it will do the same for Montgomery County residents.

Having safe, stable housing is critical to a healthy society. At a time when our counties are at an all time high in the cost of living, food, transportation and housing, I respectfully urge you to pass this bill, so that residents in Montgomery County can have housing stability.

Sincerely,

A handwritten signature in black ink, appearing to read "Krystal", is written over a large, light-colored oval shape.

Krystal Oriadha  
Councilmember, District 7



**AFRICAN  
COMMUNITIES  
TOGETHER**

1225 S. Clark St. Suite 504  
Arlington, VA 22202

700 Pennsylvania Ave SE, 2<sup>nd</sup> Flr  
Washington, DC 20003

**African Communities Together (ACT)**

700 Pennsylvania Avenue SE 2<sup>nd</sup> Floor

Washington DC 20003

Contact – Bert Bayou

DC/MD/VA Chapter Director

Email – [bert@aficans.us](mailto:bert@aficans.us)

**Letter In Support of the Home Opportunity, Mobility, and Equity Act**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

African Communities Together strongly supports the passage of the Housing Opportunity, Mobility, and Equity Act.

First, I would like to thank Council member Will Jawando and Kristin Mink for introducing this bill. My name is Bert Bayou, Chapter Director for the DMV office of African Communities Together (ACT). African Communities Together (ACT) is an organization of immigrants from Africa and their families. ACT empowers African immigrants to integrate socially, get ahead economically, and engage civically. We connect African immigrants to critical services, help Africans develop as leaders, and organize our communities on the issues that matter.

From the beginning, we have built a base of tens of thousands of African immigrant contacts, connected thousands of African immigrants to direct services, engaged hundreds of community members in leadership development and public actions, and waged numerous successful policy campaigns.

The top local organizing priority of our DMV chapter is addressing the threat of displacement to low-income African immigrant tenants.

Montgomery County is home to tens of thousands of African immigrants. Most of our community members are low wage workers and renters. According to various surveys, high rent increases, and other expenses related to housing, are the top concerns for households. A typical African immigrant household spends almost half of their income on rent, and most of the time renters must work two, or sometimes three jobs, to make ends meet.

Immigrant communities can't afford or accept increases larger than 3.0% if they want to stay in this county. This bill protects our community from economic stress and displacement. ***We urge the County Council to support the HOME Act.***

Sincerely,

Bert Bayou

DC/MD/VA Chapter Director |  
African Communities Together \ africans.us

Dear Kristin,

My name is Agapita Padilla. I am a proud Mexican immigrant who has resided in Glenmont for about 8 years. I am writing to thank you for taking action and introducing a Rent Stabilization that would help keep a roof over my head. I am an elderly woman who has a handicapped son. My rent recently increased by 6%! I don't find that just! Every year the rent continues to increase, and our wages stay stagnant. People like myself who depend on social security cannot keep up, so we are forced to make cuts elsewhere, such as on utility bills, clothing, food, and more. In my case, not only am I having a hard time keeping up with rent, but I am also struggling with my son's medical bills. The bill you introduced alongside councilmember Will Jawando would prevent automatic displacement for my son and me. The thought of having to move is stressful. I hope you and the council can pass this before my next rent increase in the spring.

Please feel free to contact me with questions.

Sincerely,

Agapita



Alex Banks  
Silver Spring, MD, 20902 (Forest Glen)

**County Council: Pass the HOME Act, and Pass it Quickly!**

Dear Montgomery County Councilmembers,

My name is Alex Banks and I am a father of two MCPS students in the Forest Glen area, in District 6. I urge the County Council to quickly pass the HOME Act to cap rent increases at a maximum of 3% to keep single parents like me housed and stable.

After working in retail and hospitality for most of my life, I've been able to build a family in Montgomery County thanks to my current job working for the Union of the American Federation of Teachers. The financial security I've built up is now at significant risk, however: my rent will soon increase by 19%, from \$2100 to \$2500. As a single father of two young elementary schoolers living in one of the most expensive parts of the country, *any* rent increase would threaten my financial stability, especially any increase nearing the double digits.

Because of this increase, I have less money for basics like groceries and to provide things for my kids like new clothes and potentially braces for my oldest son. I do not own a car, so it is crucial for me to live near a metro station as well as my children's school. The condo I rent is in the perfect location, but there are not many available alternatives nearby that meet those criteria so I really don't have a choice but to pay the increase for another year and hope something better opens up nearby – looking to the other transit-accessible areas near me in Silver Spring and Wheaton are completely out of my budget.

People in my situation will be forced to look further away from DC (where I and so many work) which just further exacerbates the problem with regards to transportation/commute time. This is a problem for sustainability for me and for our environment. This is a problem of protecting our educators, who face more flack from parents than ever before and are being priced out of the county at alarming rates. This is a problem for our already over-crowded homeless shelters, and for the growing number of homeless people I encounter in the Silver Spring and Forest Glen area daily. And this is a problem for the many, many people on the precipice of displacement, just a few dollars of back rent away from losing everything.

The long term solutions to our County's housing crisis, like social housing, better inspections, and investment in deeply affordable and dignified housing. We desperately need to cap the rent at 3% maximum to prevent the worsening of all of the problems I listed above.

I urge you to pass the HOME act, quickly and in its strongest form.

Thank you.

Alexis Kurtz  
Downtown Silver Spring  
[Alexiskurtz@yahoo.com](mailto:Alexiskurtz@yahoo.com) | 443-713-8513

My name is Alexis Kurtz, and I live in Downtown Silver Spring, in District 4. I'm a public school teacher who's recently experienced a 7% rent increase.

Yet I've also faced mold, ants coming up from the floors, wires loose in the walls which impair wifi abilities, oil paint melting in the bathroom and dripping down our faces when we shower, and flooding during heavy rain.

I am a public school teacher, but I don't know if I can continue to be one anymore. I've outlasted teaching during an international pandemic and still cannot afford to live. My rent is nearly 50% of my paycheck, and that's with a roommate.

I have less money for food. I am lucky enough to be a middle school teacher at a school that gives free breakfast, which I usually eat for lunch. I've had to start coaching after school in order to pay for the rent increase from last year, but I can't afford this one unless I get a second job. I don't have the time to have a second job and also do my first one well.

I can't afford pencils or fidgets for my students, so they have to go without unless the county has extras. When gas prices rose, I was lucky enough to spend a few nights with family who lives closer to my work so I wouldn't have to drive as much.

I can't afford the rent increase, but I can't afford to move either. Rent everywhere is still rising, and there doesn't seem to be an end. If my rent increases again, I'm going to have to move out of MoCo and get a job somewhere else.

The county cannot concurrently allow housing prices to increase while not also providing adequate salaries to the people who work for them. Any place a teacher, nurse, or social worker can't afford to live in will not be able to improve. I worry how these increases will impact our children's education.

Please support and quickly pass the HOME Act, so that educators like me can receive the dignity and stability we need to support our children and community.

Dear Councilmember Jawando and Mink,

My name is Alma. For 14 years, my family and I have called Germantown home. During COVID, we found stability and financial predictability with the rent cap protection. Rent was paid on time, bills were more manageable, and we had money to save for the future.

Then in June of 2022, my family received a rent increase of 7.11%. Shortly after that notice, my husband got sick with COVID and could not work for a few weeks. My husband is the only breadwinner in our family. I cannot work because one of my daughters has unique needs that require full-time assistance.

When he returned to work, we were weeks behind rent—weeks turned six months. Despite our best efforts to pay a little here and there, we continued to fall behind. We applied for rental assistance, which has been an overwhelming process. We applied for rental assistance, but it has been an overwhelming process that takes months, leading to emotional turmoil and sleepless nights.

In January, my landlord sent me a 60-day notice to vacate. To make matters worse, I just received a letter being denied Rental Assistance. To say that we are worried is an understatement. We don't know where to go with very little affordable rent in the county.

I am writing to share my story. It's the story of hundreds across the county. I am here not only urging for quick action from our elected officials to pass Rent Stabilization but to have a heart. Communities like mine deserve to be here. We deserve stability and predictability. We deserve a HOME. And that's why I am writing this letter of support for Bill 16-23 (HOME ACT).

Thank You!

Estimados concejales Jawando y Mink,

Mi nombre es Alma. Durante 14 años, mi familia y yo hemos llamado hogar a Germantown. Durante COVID, encontramos estabilidad y previsibilidad financiera con la protección del tope de alquiler. El alquiler se pagaba a tiempo, las facturas eran más manejables y teníamos dinero para ahorrar para el futuro.

Luego, en junio de 2022, mi familia recibió un aumento de alquiler del 7,11 %. Poco después de ese aviso, mi esposo se enfermó de COVID y no pudo trabajar durante algunas semanas. Mi esposo es el único sostén de nuestra familia. No puedo trabajar porque una de mis hijas tiene necesidades únicas que requieren asistencia de tiempo completo.

Cuando volvió al trabajo, llevábamos semanas de retraso en el alquiler, las semanas se convirtieron en seis meses. A pesar de nuestros mejores esfuerzos para pagar un poco aquí y allá, continuamos atrasándonos. Solicitamos asistencia de alquiler, que ha sido un proceso abrumador. Solicitamos asistencia de alquiler, pero ha sido un proceso abrumador que lleva meses, lo que lleva a una confusión emocional y noches de insomnio.

En enero, mi arrendador me envió un aviso de 60 días para desalojar. Para empeorar las cosas, acabo de recibir una carta en la que se me niega la asistencia para el alquiler. Decir que estamos preocupados es quedarse corto. No sabemos adónde ir con muy poco alquiler asequible en el condado.

Escribo para compartir mi historia. Es la historia de cientos en todo el condado. Estoy aquí no solo instando a que nuestros funcionarios electos tomen medidas rápidas para aprobar la Estabilización de Rentas, sino que tengan corazón. Comunidades como la mía merecen estar aquí. Nos merecemos estabilidad y previsibilidad. Nos merecemos un HOGAR. Y es por eso que estoy escribiendo esta carta de apoyo al Proyecto de Ley 16-23 (LEY DE VIVIENDA). ¡Gracias!

March 6, 2023

Attn: Councilmember Kristin Mink  
Montgomery County Council  
100 Maryland Avenue, 6th Floor  
Rockville, MD 20850

Dear Councilmember Mink,

I'm writing to you regarding the urgent need for rent stabilization and relief efforts in Montgomery County and to express my support for the HOME Act. **My husband, Craig, and I have lived in Silver Spring, MD for nine years**—seven of those have been spent living in our current building located at 1150 Ripley Street.

During our time as tenants, we have always paid our rent—including all fees and utilities—on time and in full. This includes the nearly six months of 2020 when we had intermittent (at best) access to hot water and the four weeks we were displaced in summer of 2021 due to a burst pipe flooding our unit at the time. **In short, we have been model tenants.**

**On February 21, 2023, we received a renewal letter** (attached) from our property management company, Washington Property Company, **demanding a 30% increase in our rent for a standard 12-month lease.** Over the course of a year, **this increase would cost our household an additional \$7,680 in rent.** It should be noted that our building has undergone no major capital improvements or renovations, nor has management added any significant amenities to the property to justify such an outrageous increase in our rent. In fact, **the only justifications cited for the increase are inflation—which was 6.4% through January 2023—and the recent expiration of Council-mandated limits on rental increases.**

Our building is over ten years old and is surrounded by newly constructed, luxury apartment buildings. This means we live in one of the most affordable buildings within a several block radius. As a result, our fellow residents are a diverse mixture of families and individuals who represent the best parts of living in Silver Spring. **Extreme rent hikes will make this building unaffordable to many existing tenants and will force residents out of the neighborhood entirely as we are surrounded almost exclusively by high-priced luxury rentals.** Because Washington Property Company owns and manages five buildings in Montgomery County, I suspect this problem will not be isolated to our building nor our neighborhood.

Upon attempting to negotiate with our building manager, my husband was told that **Washington Property Company is aware the increase is extreme but knows most residents won't have the time or energy to negotiate and will simply "pay or move".** Similarly, **the manager seemed to indicate that there is a broad movement among management companies to align rents throughout Downtown Silver Spring into specific price ranges for similar-sized units.** In other words, they're not not price fixing.

I believe it is obvious that **only direct action by the Montgomery County Council can reign in extreme rent hikes like the one we currently face.** Renters in Montgomery County are not a transient or temporary population. Many of us are longtime residents who simply find ourselves priced out of the housing market here but still love the place we call home. **I hope the Council will pass the HOME Act and afford renters the protection we deserve.**

Best,

Alyse Stokes  
1150 Ripley Street  
Silver Spring, MD 20910



Tuesday, February 21, 2023

Alyse Stokes  
1150 Ripley Street  
Bldg # 01  
Silver Spring, MD 20910

Dear Alyse Stokes:

Thank you for calling Solaire 1150 Ripley your home over the past year. We'd like you to continue to be our resident with a new lease starting on 6/1/2023. As you may be aware, on May 16, 2022 Montgomery County lifted the renewal increase mandate that has been in place over the last 30 months. Due to the mandate being lifted, renewal increases are no longer capped at 0.4% beginning August 2022. During this time, costs of operating our community have increased significantly due to inflation and supply chain delays. Over the past 30 months our team has worked to provide a great experience while navigating the impact of the county's renewal restrictions in addition to increased costs in labor, parts, and services that our community relies on daily. For your review, below is your renewal offer for your upcoming term. We understand that you may have questions regarding this increase and encourage you to schedule a time to meet with your Property Manager to discuss your options.

**Current Rent** 2,091.00

<u>Lease Option</u>	<u>Monthly Rent</u>	<u>% Inc</u>
15 - Month Lease	2,509.00	19.99%
12 - Month Lease	2,731.00	30.61%

<u>Month-to-Month Option</u>	<u>Monthly Rent</u>	<u>% Inc</u>
Month-to-Month Lease	3,137.00	50.02%

In addition to your monthly rent, you currently have the following additional item(s) leased:

<u>Item</u>	<u>Current Rate</u>	<u>New Rate</u>
Pet Rent	35.00	35.00
Parking	150.00	150.00

***The above item(s) will renew at the new rate unless you inform us that you wish not to renew the item(s).***

If you do decide to move, please provide us with written intent to vacate (check your lease for the required notice period). If we don't hear from you before your lease expires, your lease will convert to a month-to-month status effective the first day of the month following expiration. The monthly rate indicated in the month-to-month lease option above will apply.

Again, please contact the leasing office if you have questions. We'll be happy to assist you.

Sincerely,

The Staff of Solaire 1150 Ripley

cc: Resident file

(A11)

Dear Councilmember Mink,

My name is Ana Laura Garcia, and I have been a Montgomery County resident for 20+ years. I am also the president of a tenants association representing 150+ immigrant families in Germantown. About a year and a half ago, we fought for a rent-stabilization bill to protect Montgomery County residents from any rent increment during the pandemic. The bill allowed people to keep a roof over their heads and provided stability in most people's lives when they needed it the most. As people still struggle to get back on their feet, the last thing that we want to do is allow rent increases to go unchecked. For many in my community, a rent increase beyond 5% would make it harder to find affordable housing in the county including myself. I want to live here for the next 20 years; however, with little to no work and rising housing costs, I am afraid that I will no longer be able to afford to live in the county that I've called home for the past 20 years. I am writing a letter supporting Bill 16-23, the Home Act. We deserve to a future here in Montgomery County.

-Ana Laura Garcia.

Estimado concejal Mink,

Mi nombre es Ana Laura García y he sido residente del condado de Montgomery durante más de 20 años. También soy presidente de una asociación de inquilinos que representa a más de 150 familias inmigrantes en Germantown. Hace aproximadamente un año y medio, luchamos por un proyecto de ley de estabilización de alquileres para proteger a los residentes del condado de Montgomery de cualquier aumento de alquiler durante la pandemia. El proyecto de ley permitió a las personas mantener un techo sobre sus cabezas y proporcionó estabilidad en la vida de la mayoría de las personas cuando más lo necesitaban. Mientras la gente todavía lucha por recuperarse, lo último que queremos hacer es permitir que los aumentos de alquiler no se controlen. Para muchos en mi comunidad, un aumento de alquiler superior al 5 % dificultaría encontrar viviendas asequibles en el condado, incluyéndome a mí. Quiero vivir aquí durante los próximos 20 años; sin embargo, con poco o ningún trabajo y costos de vivienda en aumento, me temo que ya no podré vivir en el condado al que he llamado hogar durante los últimos 20 años. Estoy escribiendo una carta apoyando el Proyecto de Ley 16-23, la Ley de Vivienda. Merecemos un futuro aquí en el condado de Montgomery.

-Ana Laura García.

**Letter in Support of Bill 16-23,  
The Housing Opportunity, Mobility, and Equity (HOME) Act**

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My name is Bess Teller and I am a resident of Brookeville, Maryland in District 7. I am writing in support of Bill 16-23, the HOME Act, which will create stability and predictability for landlords and tenants by creating parameters for annual increases in rent, with appropriate exemptions for new construction and deeply affordable housing, plus an appeal process for landlords who are facing unusual circumstances or costs.

My husband and I were renters for nine years before we were able to be homeowners. Now we are landlords for two attached homes that are both located in Silver Spring. We have told our property manager that if either or both tenants have difficulty paying rent, especially due to COVID, we would not pursue a late fee or eviction, although we still have our expenses to maintain the homes.

Economic instability, which existed before COVID and was worsened due to the pandemic, continues to push thousands of Montgomery County households to the brink of homelessness. I strongly support emergency rental assistance as a necessary part of keeping people in their homes. I have contacted my state legislators to urge them to include much needed emergency rental assistance in this year's state budget.

But emergency rental assistance isn't enough. Ripple effects from the pandemic are still causing financial disruptions. People are still missing hours at work due to COVID or COVID related closures. Asset depletion and increasing rent debt is widespread among low-income renters. With savings and credit tapped out, households have no buffer to keep them from homelessness when small financial setbacks inevitably happen.

Many small landlords, like my husband and me, have kept rents steady over the years and work with our tenants to keep them from being displaced. However, it isn't a level playing field, and it causes a lot of instability in our communities when some landlords are raising their rates year after year at levels that aren't sustainable for renters.

**For all of these reasons, I am urging you to support Bill 16-23, to create a more just and sustainable system that will strengthen our communities and improve the quality of life for everyone in Montgomery County.**



# BIPOC MOCO Green New Deal Internship

Jim Driscoll, MBA, PhD  
Coordinator, BIPOC MOCO Green New Deal Internship  
Treasurer, National Institute for Peer Support  
5800 Nicholson Lane, Unit 401  
North Bethesda, MD 20852  
520-250-0509  
jimwdriscoll@gmail.com

March 2, 2023

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

The BIPOC MOCO Green New Deal (GND) Internship strongly supports the passage of the Housing Opportunity, Mobility, and Equity Act.

We thank Councilmembers Jawando and Mink for introducing the bill.

The internship is a project of the National Institute for Peer Support, a small nonprofit based in North Bethesda. The Institute educates and advocates locally and nationally on behalf of social, economic, environmental and climate justice. This spring, there are 25 BIPOC MOCO high school youth in the Internship paid to learn about climate science, the community of climate and social justice organizations in the County and the skills of social change. They volunteer with over a dozen social justice organizations and take part in nonviolent direct action. Since the summer of 2021, the Internship has trained over 100 MOCO BIPOC high schoolers. The Internship is part of the MOCO Green New Deal founded by 350.org and Extinction Rebellion MOCO in response to the County's failure to take meaningful action on climate change after declaring the first "climate emergency" in the United States in 2017. The Interns have repeatedly raised the need for action on climate and a MOCO Green New Deal in the local media:

 Intern Media Summary .docx

The Interns and the MOCO nonprofit organizations who help train them are concerned about the interconnected crises of housing and climate justice in MOCO—and their disproportionate impact on their own BIPOC communities. From their lived experience, from presentations by local social justice organizations and from volunteering with those organizations, they have learned a lot about that interconnection. Rents in MOCO, indeed, are too damn high—and the landlords keep raising the rent, often outrageously. They know that high rents force students to study in small apartments. They know that unpredictable and large rent increases create an atmosphere of uncertainty that affects students' work in school. They know some students are forced into homelessness. They know that unhoused people suffer the most from climate-driven heat waves

and storms. They know that other students have been forced to move out of the County. They know the impact of the resulting long commutes on greenhouse gas emissions. They know some students have to go without air conditioning in heat waves due to high and increasing rents. They know the world does not care about people who look like them. They know that their County is doing very little to protect people like them from the rampaging climate catastrophe. They know that if civilized life is to survive in the County, its residents must work together. They know that forced displacement and uncertainty about rent increases undermines the ability of families to cooperate and indeed the ability of the County to deliver effective services during this emergency.

The HOME Act for Rent Stabilization provides some protection against homelessness, displacement, and housing uncertainty. Besides dealing with the housing crisis, this Act will facilitate the response of County residents and the County itself to the climate crisis. The least the Council can do is to pass the HOME Act. Now that these BIPOC young people know about the importance of strong rent stabilization, this is a chance for the Council to show them it cares about them and understands the connection between stable rents and dealing with the climate emergency.

***We urge the County Council to support the HOME Act.***

Sincerely,

Jim Driscoll



March 3, 2023

Council President Glass, Council Vice President Friedson, and County Council Members  
100 Maryland Avenue, 6<sup>th</sup> Floor  
Rockville, MD 20850  
*transmitted by email*

**Re: Letter in Support of the Home Opportunity, Mobility, and Equity Act**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

My name is Jacob Kmiech, and I am an Equal Justice Works Fellow in CASA's Legal Team, where I help with cases involving access to housing and housing conditions. Over 122,000 members guide CASA's mission to create change as the leading immigration organization in the Mid-Atlantic. CASA combines advocacy, community organizing, and human services to serve its members and provide the support necessary for full participation in our society. More can be read about CASA on its website here: <https://wearecasa.org/>

My daily work on CASA's housing team brings me into contact with people throughout our community who are on the verge of being forced out of their homes. While we are able to help these clients navigate the legal system and often win cases where the odds are stacked against them, there are still many cases where we are nearly powerless to help them avoid displacement despite clear injustice. Of this category, the largest majority come from apartment complexes where their landlord has suddenly raised their rent to an extreme and unreasonable degree beyond the realm of affordability for the average tenant currently living there. This practice is currently legal despite the destructive effects that such profiteering has on the community at large.

This is why the Home Opportunity, Mobility, and Equity Act introduced by Councilmember Jawando and Councilmember Mink is so critical. Rent stabilization strikes an ideal middle ground by helping to protect tenants from extreme rent hikes, while also ensuring that landlords can still make reasonable increases in their rent.

## **Local Statistics**

For many years, renters have struggled to meet rising and extreme rent hikes. Over the course of 2022, rental inflation reached an extraordinary rate of 14%, easily doubling the 7% inflation rate seen on other products. Meanwhile, wages have stagnated, and renters have been forced to leave their communities because of prices displacing them.

Currently, our area is one of the most expensive for housing. More than half of households in the DC-area are rent burdened, meaning that their monthly rent exceeds more than 30% of their monthly income. Without protection, these renters are placed in danger and constant fear of extreme rent increases that would price them out of their homes.

## **National Efforts**

Recognizing this danger, the White House has directed the Federal Housing Finance Agency to explore protections against high rent increases, recognizing that “Renters should have access to housing that is safe, decent and affordable and should pay no more than 30 percent of household income on housing costs.”<sup>1</sup> As part of this effort, the White House has called on local lawmakers and private housing actors to protect renters and “enhance existing policies and develop new ones that promote fairness and transparency in the rental market.” The administration also endorsed the early commitments of the Wisconsin Housing and Economic Development Authority and Pennsylvania Housing Finance Agency for their own rent stability legislation.<sup>2</sup>

## **Community Need**

Throughout Montgomery County, the percentage of rent burdened families has continued to grow. CASA’s legal team, dedicated to representing clients in housing matters, regularly hears stories directly from renters who live throughout Montgomery County. Among those struggling to get by, we have heard from renters who have been required to bring in additional family and/or friends to help pay their rent. We have heard from members who have been forced to take two jobs just to keep a roof over their kids’ heads, leaving them with less time to share with them. Above all else, we have heard from communities that are surprised that extreme rent hikes of the nature we are describing are even legal.

## **Why Rent Stabilization?**

Rent stabilization programs (not to be confused with rent caps, rent control, or rent freezes) prevent extreme spikes in housing costs and price gouging by limiting the rate that rent can increase in a given year. Rent stabilization still allows rent to increase, but only by a reasonable percentage defined by law, which helps to protect

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<sup>1</sup> <https://www.whitehouse.gov/briefing-room/statements-releases/2023/01/25/fact-sheet-biden-harris-administration-announces-new-actions-to-protect-renters-and-promote-rental-affordability/>

<sup>2</sup> *Id.*

tenants from extreme cases of profiteering. Currently, more than 180 cities and towns in the United States have rent regulations in place to protect their tenants. This includes Prince George's County, which almost unanimously approved a rent stabilization measure on February 28<sup>th</sup>, limiting the ability for landlords to increase rent for tenants above 3% of their current rent over a 12-month period<sup>3</sup>

Beyond preventing price gouging, stabilization would have several economic benefits. Firstly, it would provide economic stability, transparency, and predictability to renters, helping them to get the peace of mind they need to plan for other expenses and invest elsewhere in our economy. Second, it would prevent involuntary displacement and homelessness by ensuring those most rent burdened can retain their homes each year. Third, it would help to promote racial equity. Studies have shown that people of color and black and indigenous communities experience the most egregious rent increases, and rent stabilization legislation would help to protect against these extreme increases. Finally, it would hold landlords accountable for maintaining safe and healthy housing.

### **Rent Stabilization vs. Rent Control**

Unlike rent freezes and rent control measures, which have some unintended consequences on the housing ecosystem, rent stabilization is a healthy equilibrium and tool that can be used to prevent displacement in our communities. Rent stabilization allows landlords to bring in a reasonable return on their investment by raising their rent by a specific percentage each year (3%), but also helps to protect those most vulnerable in our communities from extreme hikes.

Additionally, the Home Opportunity, Mobility, and Equity Act provides a failsafe petition for landlords who do legitimately need to raise their rent beyond 3%. As a result, all landlords would be able to operate reasonably, and tenants would be protected from unjust rent hikes.

### **Rent Stabilization Allows for Reasonable Rent Increases**

Research from the Center for Urban and Regional Affairs shows that median rent hasn't increased more than 3% annually. However, BIPOC households did face significantly higher rent increases. Standing behind this balanced legislation means protecting those who need it most, while not harming those landlords who raise their rents at a reasonable rate.

Between 2021 and 2022, the average yearly rent increase nationwide shot up to 14.07%, far exceeding the average increase of years past and also the median increase of 3% used by more reasonable landlords.<sup>4 5</sup> This trend of increasing nationwide rent

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<sup>3</sup><https://www.pgccouncil.us/CivicAlerts.aspx?AID=1350#:~:text=The%20Prince%20George's%20Council%2C%20during,over%20a%2012%2Dmonth%20period.>

<sup>4</sup> <https://www.creditkarma.com/insights/i/average-rent-increase>

<sup>5</sup> <https://www.washingtonpost.com/business/2022/01/30/rent-inflation-housing/>

prices beyond that of the median 3% landlords use is troubling. Setting an official rate any higher than the proposed 3% would incentivize landlords to increase their rents beyond the realm of affordability for most in our community. To raise its rent beyond 3%, a landlord should be required to show that the increase is necessary, helping to prevent harm to the 30% of people in our region who are rent burdened as is.

Additionally, this legislation will help to protect the most vulnerable landlords in our community. Regrettably, the Urban Institute has shown that out-of-state corporate landlords and investors have entered the housing market in droves, outbidding first-time homeowners and smaller property owners. After this bidding process is finished, these larger corporations use their weight to push for egregious rent increases, pushing those most vulnerable out of their communities. We need to implement policies standing against this behavior to protect landlords that wish to profit fairly and the tenants they rent to.

More than 180 cities across the country have begun to use a form of rent stabilization. Empirical research performed throughout the country over the course of several decades demonstrates that rent regulations have been effective in both “maintaining below-market rent levels and moderating price appreciation.”<sup>6</sup> The Home Opportunity, Mobility, and Equity Act is specifically designed for our community, recognizing the dynamics and realities it faces and built with local input and research. By joining together, we can ensure that everyone has a place to call home.

### **What We’re Seeing in the Community**

CASA’s legal team is in direct contact with tenants throughout Montgomery County who are struggling to make ends meet. Sudden and unreasonable rent increases have forced many of our members and their families out of their homes with nowhere to turn. As a result, the most common question we are asked is whether an extreme rent increase is legal or not. We have met clients who have faced skyrocketing rents over the span of just a few years, and they have been left with no recourse except to pack their bags and leave.

For example, a client from Germantown who had been living in her apartment for 14 years sought our services in June of 2022, when she faced a sudden increase to her rent of 7.11%. Shortly after seeing this increase, her husband got sick with COVID. With her husband unable to work, they fell behind on that month’s rent payments, which resulted in late fees that already exacerbated her problem. While she has made payments on rent since, the combination of the hike in rent alongside these late fees left her behind on rent for about six months. The two applied for rental assistance, but it has been an overwhelming process that takes months, leading to emotional turmoil and sleepless nights. In January, the office sent her a 60-day notice to vacate,

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<sup>6</sup> Goetz, E., Damiano, A., Hendee Brown, P., Alcorn, P., Matson, J., “Minneapolis Rent Stabilization Study,” University of Minnesota Center for Urban and Regional Affairs, (Pg. 20) (2021), *citing* Autor et al., 2017, Early, 2000; Heskin et al, 2000; Sims, 2007; Clark and Heskin, 1982; Levine et al, 1990.

placing her in fear of not only her displacement, but also that of her two daughters, one of whom has special needs, further increasing her daily cost of living. To date, this family doesn't know where they will go, as any other apartment will be too expensive for her family to afford.

Similarly, just this week I spoke to a client who will remain anonymous. This client has lived in an apartment for about five years in Montgomery County, but each year the apartment has raised her rent considerably. Last month, her rent was unjustifiably increased by a shocking 13%, far faster than the rate at which her wages increase, which means that she would need to pay an extra \$2000 each year to live there. For someone living paycheck-to-paycheck to support her kids, like she is, this increase will force her and her children out of her home with almost nowhere to turn. The first question on this clients' mind, and also that of the first client whose rent was raised by 7.11%, was whether this profiteering was legal, and we unfortunately needed to tell them both that it was. This client insisted, like many others before her, that what happened to her doesn't feel legal and shouldn't be. I think her insistence is highly instructive. While rent increases this extreme may be outliers, they should not be allowed to harm our communities by unjustifiably pricing folks out of their basic necessities.

## **Conclusion**

It is deeply wrong to encourage needless profiting off of nothing short of exploitation. In the late 1800s and early 1900s, this exact mindset convinced lawmakers to pass minimum wage legislation, requiring employers of that time to pay *at least* a reasonable wage to their employees. Similar principles are at play here. Rent stabilization would encourage landlords to build more housing and invest in our community to reach profits instead of simply piling costs on existing tenants who are already struggling to get by.

It is important to remember that rent stabilization is designed with the majority of landlords in mind. This legislation still gives room for landlords to raise their rent to a reasonable amount to cover costs typical of running an apartment. Most landlords in Montgomery County don't raise their rents to an absurd level, but we need to protect against those who do, both for the benefit of smaller landlords and renters alike.

A significant percentage of renter households in Montgomery County are housing cost-burdened, and, as such, are especially susceptible to economic shocks and eviction. Each day, we hear from tenants who live in substandard housing they can barely afford. With nowhere else to turn, those with the fewest options are left with the least opportunities.

To fully protect renters who have the highest need, protect our local housing market, and save county costs, The Home Opportunity, Mobility, and Equity Act will be a critical tool in the County's toolbox. It will protect tenants and landlords who raise their rents reasonably, and will keep more money in the pockets of low-income



Montgomery County residents who contribute to our local economy, rather than pad the pockets of out-of-county landlords looking to make an unjust profit.

Sincerely,

Jacob Kniech  
Equal Justice Works Fellow  
CASA





**Cecilia Lazo**  
**11540 Lockwood Dr,**  
**Silver Spring, MD, 20904**  
**301-213-2056**

Concejal Mink,

Mi nombre es Cecilia Lazo, vivo en 11540 lockwood dr silver spring 20904. Soy residente de el condado de Montgomery hace 15 anos. Trabajo en limpieza de casas pero apenas tengo 3 dias de trabajo y me aumentaron la renta en un 5%. El cual se me hace muy injusto porque prácticamente trabajo solo para pagar la renta. La verdad no puedo pagar mis gastos médicos porque no me alcanza mi salario y mas aparte pago los biles. Estoy muy estresado en esta situación. Necesitamos una estabilización de los alquileres que realmente beneficie a nuestras comunidades. Por eso escribo en apoyo de su proyecto de ley. Por favor ayudenos.

-Cecilia

**English:**

Councilor Mink,

My name is Cecilia Lazo, I live at 11540 Lockwood dr, silver spring 20904. I have been a resident of Montgomery County for 15 years. I work cleaning houses, but I barely have 3 days of work, and they increased my rent by 5%. Which is very unfair to me because I work only to pay the rent. The truth is, I can't pay my medical expenses because my salary isn't enough, and I pay the bills on top of that. I am very stressed in this situation. We need rent stabilization that genuinely will benefit our communities. That is why I am writing in support of your bill. Please help us.

-Cecilia

## **Letter in Support of the HOME ACT**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council:

My name is Agbegnigan Amouzou (Alias Coach Fofa); I have lived in Montgomery County for over 20 years, currently at Spring Park Apartment in White Oak. I realize that the rent is up at 8%, and I can't afford to continue to pay because the monthly income I bring into my home is not close to what I pay. I ask the Montgomery County Council to pass the HOME Act. Thank you!

Sincerely,

Agbegnigan Amouzou AA

Tino Fragale (he/him), Board President  
Everyday Canvassing  
[everydaycanvassing.org](http://everydaycanvassing.org)



## **Letter in Support of the Housing, Opportunity, Mobility, & Equity Act**

Dear members of the County Council,

Everyday Canvassing is a Montgomery-County based nonprofit whose mission is to make local government as accessible as a door-to-door conversation to our County's most systemically disenfranchised community members. Over our three years of work in Montgomery County, we've knocked on nearly 50,000 renter doors; documented 2,541 conversations with different renters; and maintained relationships with over 1,400 renters. We have also referred or directly handled social services applications of hundreds of these residents.

Everyday Canvassing is generally unselective both who we talk with and what we talk about, inviting every community member to share what issues are top of mind. Our thousands of conversations have made it abundantly clear that renters across Montgomery County need and have asked for low, predictable yearly rent increases. We strongly support the HOME Act and its limitations of rent increases to 3% yearly increases maximum.

Over the last year alone, we have spoken with over a thousand renters struggling to afford their housing costs, all while dealing with contract negligence resulting in conditions hazardous to renters' health, safety, and finances. Despite the contractual responsibility for landlords to cover the significant maintenance issues we learn about at the doors, the renters we speak to must often pick up the costs of pest control, clean-up, and appliance replacement. Many renters suffer without reprieve and don't receive responses from their management for months - often, only when renters escalate to the County. Renters consistently suggest to us that rent increases beyond a couple percentage points are not only unaffordable, but are also unfair when they live in conditions unequal to what they pay for. Renters suggest rent stabilization as one of many important solutions to our housing affordability crisis, and as a key tool of fairness in an undignified housing landscape across the county.

Limiting rent increases to 3% will, at the very least, allow renters predictable and manageable increases while we as a County continue to work on the long-term solutions that decrease housing costs for renters, such as greater public investment in affordable housing development and maintenance. We've learned from experiences of many community members we know who have gone from housed to homeless, and the

inability of many community members to transition from homelessness to housed, that Montgomery County urgently needs to lower housing costs - now - using every tool we have.

Everyday Canvassing strongly urges the Montgomery County Council to pass the HOME act and stabilize rents at 3% or less. This will provide immediate relief to the thousands renters in our County who already can't afford increases; enable predictability for tenants; and give Montgomery County time to move forward the many long-term solutions we need to ensure all of our neighbors can live out their right to a stable home.

Thank you, and we look forward to continuing to work with you.

**Gledys Guerrero**  
**3119 Hewitt Ave,**  
**Silver Spring, MD, 20906**  
**2407523528**

Carta de Apoyo a la Ley de Vivienda.

Mi nombre es Gledys Guerrero. Vivo en Silver Spring. Soy residente del condado de Montgomery desde hace 17 años. Trabajo en limpieza. Soy madre de 3 hijos, pero tengo muy pocas horas de trabajo, y soy una de las personas afectadas por el aumento del 7% en la renta. Con mucho esfuerzo, debo sacrificar otras necesidades de salud para pagar el alquiler. Estoy en este condado por necesidad. Nuestros salarios no aumentan, y como esta renta sube diariamente, luchamos para alimentar a nuestros hijos.

Por esta razón, le pido al consejo del condado que apoye la estabilización de alquileres de la Ley de viviendas.

**3119 Hewitt Ave,  
Silver Spring, MD, 20906  
2407523528**

Letter of Support for the Home Act.

My name is Gledys Guerrero. I live in Silver Spring. I am a 17-year resident of Montgomery County. I work in cleaning. I am the mother of 3 children, but I have very few hours of work, and I am one of the people affected by the 7% rent increase. With a lot of effort, I must sacrifice other health needs to pay the rent. I am in this county out of necessity. Our salaries do not increase, and as this rent rises daily, we struggle to feed our children.

For this reason, I ask the county council to support the Home Act rent stabilization.

## **GLEN ECHO HEIGHTS MOBILIZATION**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council:

Glen Echo Heights Mobilization supports the passage of a rent stabilization bill -- the Housing Opportunity, Mobility, and Equity Act. Montgomery County needs legislation to protect housing for its low-income residents. Though we have not yet seen draft legislation, GEHM supports a bill to significantly stabilize rent increases so our most vulnerable residents can better weather the impacts of climate change.

Glen Echo Heights Mobilization is a community organization in Montgomery County Maryland with 50 members or more. Our members are fortunate to experience the high quality, if expensive, standard of living the County offers. We have advocated for the County's historic declaration of a climate emergency, and supported the adoption of the County's Climate Action Plan in 2021. Our organization played a key role in supporting the policy change established in 2022 of Montgomery County Public Schools to participate with the broader county plan. Our members have supported other social justice organizations in the County to ensure that County policies to deal with the climate crisis.

Our members are concerned about the impact on the County's renters of large rent increases. Such increases contribute to homelessness (not in the interest of anyone in the County) and, in the best of worlds for those confronting such increases, effective expulsion from a county where they work because it is too expensive to live there. The increasing commuter burden on such people increases greenhouse gas emissions on the rest of us. Further, low-income and unhoused people bear the greatest risks from impacts caused by climate change, while often facing a disproportionate burden of utility costs. The unpredictability of rent increases has a social impact, making them less resilient to the impacts of climate change.

Stabilizing rents for those employed in our county for our services is not only fair to them, but benefits the rest of us who can more easily afford to live here.

We urge the County Council to support the HOME Act.

Sincerely,

Doris Nguyen  
Glen Echo Heights Mobilization, Founder

Hosain Alam  
704 Marblehedge Way  
Silver Spring, MD 20905  
Contact: hosainalam@aol.com

**Letter In Support of the Home Opportunity, Mobility, and Equity Act**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

My name is Hosain Alam. I am a Silver Spring resident and a small landlord, and I strongly support the passage of the Housing Opportunity, Mobility, and Equity (HOME) Act.

I have lived in Silver Spring for more than 22 years, and my wife and I also own a single-family home in Prince George's County which we currently rent to several tenants. Most of our tenants have been living in the house for 8 years. Most of them work for Walgreens and KFC, and one of them is a retiree. They almost always pay rent on time, except if there is an unavoidable emergency, and in this case we waive the 5% late fee as an act of compassion.

We have not raised the rent for the past 5 years. And during the past 8 years, we have raised the rent only once, after we renovated the kitchen and the bathrooms. Over the years we have managed to have a fair and reasonable relationship with our tenants. We have convinced them to help us maintain the property by reporting potential repairs in a timely manner. We also allow them to make small repairs, and reimburse them for the expenses they incur. This relationship, built on mutual trust and cooperation, has evolved into a human relationship, to the extent that some tenants have designated us as their emergency contacts. There were times when we received calls from medical practitioners, updating us on a tenants' well-being, which is very important to us. We understand that tenants need a place to live, work and have a good night's sleep. And we know that when tenants have stability in their lives, we as landlords also secure a reliable source of income to pay the mortgage, which is exactly what our experience has been.

I am providing this testimony to share my experience about what the landlord-tenant relationship should be, and to express support for the HOME Act. The 3% cap in the HOME Act is reasonable, and the proposed act appears to allow for reasonable exceptions for capital improvement, which means that landlords who have been acting as I have the past 8 years should have no problems under it. I believe the act will lead to a win-win situation for both tenants and landlords and I urge the County Council to pass the HOME Act immediately.

Sincerely,  
/Hosain Alam/

Hosain Alam  
March 5, 2023



March 3, 2023

**Letter In Support of the Home Opportunity, Mobility, and Equity Act**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council:

IMPACT Silver Spring strongly supports the passage of the Housing Opportunity, Mobility, and Equity Act.

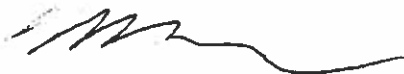
I would like to thank Council Members Jawando and Mink for introducing this timely and necessary bill. IMPACT Silver Spring's work of building a racially and equitable Montgomery County requires a reasonable approach to stabilizing rents for those in our community who are struggling to get by in our county at sub-living wage levels. Our support of low-income residents has given us a window into the struggles that renters in our county continue to face with rapidly rising rents following the ending of Covid emergency rent stabilization measures taken by the prior County Council.

Reasonable provisions such as those in the HOME Act will be an important support to keeping our widening racial wealth gap in check. Rent stabilization alone will not solve this problem but can be an important bulwark in holding back the forces unleashed by systemic failures that have led to our current reality. During the pandemic and in the post-pandemic period of economic uncertainty, we see many in our network fall significantly behind in their rent. Too often, residents need to choose between food, rent and necessary medications. We need to do better. Bills like the HOME Act are necessary steps to us being the welcoming, inclusive community that allows opportunities for all of its residents to achieve their potential.

Thank you for your consideration of this important bill. IMPACT Silver Spring looks forward to a continued partnership with the County Council in building the kind of racially and equitable community that I know is possible in our county.

***We urge the County Council to support the HOME Act.***

Sincerely,



Michael Rubin  
Interim Executive Director  
IMPACT Silver Spring



## **International Organisation for Education and Social Services**

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### **Letter in support of the (HOME) Act Bill**

Montgomery County Council  
Stella Werner Council Office Building  
100 Maryland Ave  
Rockville, MD 20850

Dear Council President Glass, Council Vice President Friedson, and members of the Council,

As the President and Founder of IOESS (International Organisation for Education and Social Services), which serves more than 170 families in Montgomery County, I am writing to express my support for the HOME Act Bill.

IOESS assists immigrants from many different countries in different parts of Montgomery County and especially assists Afghans who recently immigrated to the United States. All of the immigrants, including me, started life in this new country with many hopes. While I immigrated to the US in 2020, most of the Afghan immigrants that IOESS assists immigrated to the US after the fall of Kabul in 2021. We initially came to the Enclave in White Oak because of the affordable rent. However, the recent steep rent increases at the Enclave have made these apartments unaffordable. A few months ago, one of the new immigrants told me that he can't afford the new rent and is worried that he will be evicted. I am sure that hundreds of other immigrant families have the same worries.

Many immigrants in my community, and especially the Afghans, want to live near each other because of their small numbers in the community and for emotional connectedness. However, with large rent increases, many renters will be forced to move out of their homes. I am very concerned that this will lead to a loss of community and social ties, as people who have lived in an area are uprooted and forced to find new homes elsewhere. I have already seen this happen throughout Montgomery County, as many renters we have assisted have been displaced to areas that are further from their work, schools, or other important places in their lives, making it difficult for them to maintain their previous routines and connections.

We all want Montgomery County to be economically sustainable and affordable for its residents, but the steep increase in rents around Montgomery County are making that goal unattainable. In addition to affecting families economically, I am concerned that large rent increases will affect family

members' mental health, as immigrant families lose their social connections and community and have less money to spend on essential goods and services. I am concerned that high rents are likely to lead to or worsen depression and anxiety in recent immigrants who have already faced a lot of trauma in their lives.

These are some of the reasons why the HOME Act bill is so important for the community that IOESS assists. Limiting rent increases is important to help make housing affordable for many people, but is especially important for those with low incomes. Large rent increases make it difficult for tenants to plan their finances and stabilize their housing situation. Limiting rent increases can also have economic benefits for the county, such as reducing homelessness and the strain on social services. Overall, limiting rent increases is important for promoting affordable, stable, and fair housing for all members of the community.

We urgently request that the Montgomery Council pass the HOME Act bill so that all residents can thrive in Montgomery County.

Sincerely,  
Muhammad Bilal Wali  
+1 202-909-0016  
[bilal@ioess.org](mailto:bilal@ioess.org)

13206 Twinbrook Pkwy,  
Rockville, MD, 20851

**March 4th, 2023**

100 Maryland Ave,  
Rockville, MD 20850

Dear Council,

My name is Jessica Guerrero. I am a Montgomery County resident and a mother of three. I reside in the Rock Creek Apartments in Rockville. If the complex sounds familiar, it was the site of a flash flood that displaced 150 tenants and claimed the life of a young man who saved his mother from certain death.

Aside from the tragic flood incident last year that had multiple warning signs, my family and I, along with my fellow neighbors, have been subject to deplorable conditions. But this is nothing new. These are ongoing maintenance issues that tenants have long been fighting well before the pandemic. These issues include mold, mice and cockroach infestation, plumbing issues, and much more. Too often, our concerns go unheard, leaving many of us to accept living in hazardous health conditions. Many of us, including my family, have children with asthma who cannot be subjected to dangerous health conditions.

But with **soaring rental prices** and minimal affordable housing, most black and brown communities like mine have no choice but to stay, leaving our fate in the hands of our landlord. The worst part is that our landlord has raised our rent by an average of 4-7%. So we are paying nearly \$2,000 monthly to live in deplorable conditions. **THAT IS NOT JUST!**

**I am writing to say that black and brown communities like mine deserve better!**

**Immigrant communities deserve better!**

**Families deserve Better!**

**And above all else! Our Children deserve better!**

The county must stop failing its residents when they need government the most.

I stand with hundreds of renters who say THE TIME IS LONG OVERDUE FOR PERMANENT RENT STABILIZATION! I urge all of you to Support **Bill 16-23**. The bill is reasonable and would bring much-needed relief and stability to many families.

Sincerely,

Jessica

**Jews United for Justice**

Laura Wallace, Montgomery County Director

[laura@jufj.org](mailto:laura@jufj.org)

[www.jufj.org](http://www.jufj.org)



**Letter in Support of Bill 16-23,  
The Housing Opportunity, Mobility, and Equity (HOME) Act**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

**Jews United for Justice (JUFJ) strongly supports Bill 16-23, the Housing Opportunity, Mobility, and Equity Act.** Thank you to Councilmembers Jawando and Mink for championing this important legislation.

JUFJ organizes over 2,000 Jews and allies from across Montgomery County, who act on our shared values to advance social and economic justice and racial equity in our local community. We are grateful to the County Council for extending pandemic-era rent stabilization, but unfortunately those protections expired in May 2022. Since then, the housing instability and cycle of displacement that existed long before COVID has come roaring back and poses a threat for the 35% of County households who are renters.

Jewish sacred texts recognize that having safe, stable housing is critical to a healthy society, and we know that it is key to reducing racial inequities. Our texts are full of conversations, laws, and traditions about the obligations landlords and tenants have to each other, and our collective responsibility to ensure people can remain in their homes. We have heard from members of our community about their rising rents and their worries about their future. Young people who grew up in Montgomery County are worried they can't afford to stay here. Families with children are worried about moving their children from one school to the next. Retired and disabled people on fixed incomes are worried about being uprooted from their neighborhood and leaving their friends and places of worship.

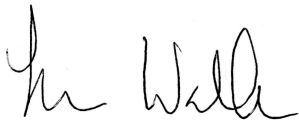
The HOME Act will provide the stability and predictability that renters in our County need to flourish by stabilizing rents at a maximum of 3%, with exemptions for new construction and low-income housing that will allow for the growth of more affordable housing in our County.

Additionally, the HOME Act will create a system for landlords to apply for rent increases above the normal annual allowance and set policies that discourage the damaging practice of holding units vacant.

We know that rent stabilization is not sufficient to address the housing crisis in Montgomery County, but it is an important piece of the puzzle, along with direct rental assistance, using County funds and County land to build affordable housing, making the MPDU program more effective, and strengthening renter protections.

Every one of our neighbors in Montgomery County deserves the stability needed to put down roots, and with that vision in mind, we urge the Council to support the HOME Act as an important and immediate tool to curb the crisis of evictions, displacement, and homelessness.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Wallace". The signature is fluid and cursive, with the first name "Laura" and last name "Wallace" clearly distinguishable.

Laura Wallace  
Montgomery County Director  
Jews United for Justice

**Liliana Velasquez**  
**2305 Georgian Way,**  
**Silver Spring, MD, 20902**  
**240-615-2867**

Estimada Kristin Mink,

Mi nombre es Liliana Velásquez y he sido residente del condado de Montgomery durante 3 años. Vivo en 2305 Georgian Way. Es un desafío pagar un porcentaje del 5% de aumento de alquiler. Lamentablemente no tengo estabilidad laboral para ayudar a mi esposo, quien solo tiene 3 días de trabajo en un restaurante. La situación es desafiante para nosotros porque tenemos una niña que, cuando tengo uno o dos días para limpiar una casa, no puedo aceptar los trabajos porque me costaría todo mi salario y más ponerla en el cuidado de niños. Si el alquiler continúa aumentando de la forma en que está, no sé cómo nos mantendremos. La comida y el costo del día a día han subido. Los salarios no suben como lo hace el alquiler. Cada vez que aumentan nuestros salarios, los altos precios de alquiler, los servicios públicos y el costo de los bienes lo compensan. Estoy escribiendo esta carta porque necesitamos urgentemente una Estabilidad de Alquileres. Durante la pandemia, buscamos alivio, sabiendo que nuestra renta no superaría el 1,4%. Sin la Estabilización de Renta permanente, me temo que nuestros sueños de que nuestra hija asista a una buena escuela aquí desaparecerán. La situación es tal que actualmente estamos buscando otra casa fuera del condado de Montgomery. Por favor ayúdenos y tome en consideración a familias como la nuestra. Esperamos que se apruebe la legislación que ustedes introducen. Es nuestra única esperanza.

Liliana



**Liliana Velasquez  
2305 Georgian Way,  
Silver Spring, MD, 20902  
240-615-2867**

Dear Kristin Mink,

My name is Liliana Velasquez, and I have been a resident of Montgomery County for 3 years. I live at 2305 Georgian Way. It is challenging to pay a percentage of 5% rent increase. Unfortunately, I don't have job stability to help my husband, who only has 3 days of work in a restaurant. The situation is challenging for us because we have a young girl who, when I get a day or two to clean a house, I cannot take the jobs because it would cost me my entire earnings and more to put her in childcare. If rent continues to increase the way that it is, I do not know how we will sustain ourselves. Food and day-to-day cost are up. Salaries do not go up the way rent does. Anytime our wages increase, high rent prices, utilities, and the cost of goods offset it. I am writing this letter because we need a Rent Stability badly. During the pandemic, we sought relief, knowing that our rent would not exceed 1.4%. Without permanent Rent Stabilization, I'm afraid our dreams of our daughter going to a good school here will disappear. The situation is such that we are currently looking for another home outside of Montgomery County. Please help us and take into consideration families like ours. We hope that the legislation that you introduce will pass. It's our only hope.

Liliana

Dear Councilmember Mink,

My name is Maria Enriquez. I am a proud immigrant from Mexico and a proud Montgomery County resident that has spent the last 25 years calling this place home. I am also one of your constituents. As a mother of two children, I had never had problems paying my rent until the pandemic.

When the pandemic came, I began losing my cleaning jobs and could not pay my rent and utilities on time. The accumulation of late fees worsened the situation, which put me in a difficult financial situation. In my case and many tenants in my neighborhood, being late on rent has led the management company to ignore fundamental housing rights. When we found protection with the emergency rent stabilization, many management companies, including mine, found a way around the rent cap by creating new and absurd charges.

Many families have not recovered from the pandemic. Many are still looking for jobs and sacrificing other necessities to pay rent. I was thrilled that you and council member Will Jawando are introducing a bill that would cap rents at 3%. This bill will help stabilize rents for my community and me and protect me from miscellaneous fees and costs that many management companies are implementing. For this reason, I am writing a letter of support for bill 16-23.

Sincerely,

Maria Enriquez

Dear Kristin,

I'm not sure if you remember me. My name is Maryury Avila. I am from Honduras, A CASA member, and a resident of Wheaton. You helped me find shelter after a town hall meetings a few weeks ago. I cannot describe how much that meant to my beautiful 5-year-old daughter and me. Unfortunately, I am back to being unhoused.

As you know, I was evicted from my home two weeks ago. I watched as my personal belongings and life were dumped on the street in just under 15 minutes. My 5-year-old girl played innocently in the yard, not knowing what was happening. No words can describe the feeling. The best I can come up with is that I had little value as a human being for the first time.

I fell behind on rent by months after an increase of 6%. Despite my best efforts to work with management and receive rental assistance, they filed an eviction. Ultimately, I was thrown out unjustly like a dog by the landlord. Unfortunately, I know that I am not the only one who is facing this. Many immigrant communities like mine are facing this injustice weekly.

I am writing this letter to thank you for what you are doing and to urge the council to support your bill. I do not wish my situation on anyone. And I hope that by passing this bill, our immigrant community can find stability.

Your friend,

Maryury

Estimado Kristin,

No estoy seguro si me recuerdas. Mi nombre es Maryury Ávila. Soy de Honduras, miembro de CASA y residente de Wheaton. Me ayudaste a encontrar refugio después de las reuniones del ayuntamiento hace unas semanas. No puedo describir cuánto significó eso para mi hermosa hija de 5 años y para mí. Desafortunadamente, volví a estar sin vivienda.

Como saben, me desalojaron de mi casa hace dos semanas. Vi como mis pertenencias personales y mi vida fueron arrojadas a la calle en poco menos de 15 minutos. Mi niña de 5 años jugaba inocentemente en el patio, sin saber lo que estaba pasando. No hay palabras que puedan describir el sentimiento. Lo mejor que se me ocurre es que tenía poco valor como ser humano por primera vez.

Me retrasé en el alquiler por meses después de un aumento del 6 %. A pesar de mis mejores esfuerzos para trabajar con la administración y recibir asistencia para el alquiler, presentaron un desalojo. Al final, el propietario me echó injustamente como a un perro. Desafortunadamente, sé que no soy el único que se enfrenta a esto. Muchas comunidades de inmigrantes como la mía enfrentan esta injusticia semanalmente.

Le escribo esta carta para agradecerle por lo que está haciendo y para instar al consejo a que apoye su proyecto de ley. No le deseo mi situación a nadie. Y espero que al aprobar este proyecto de ley, nuestra comunidad inmigrante pueda encontrar estabilidad.

Tu amiga,

Maryuri



**RE: H.O.M.E. ACT – Letter of Support**

**From: MCEA President Jennifer Martin**

**Date: March 6<sup>th</sup>, 2023**

Montgomery County has always been one of the most desirable counties to live in our state; but many of our residents struggle to afford our high housing costs. We are now three years removed from the start of a global pandemic, when our County Council and County Executive stepped up to ensure that educators, students, and their families could remain in their homes, placing emergency caps on rent increases during the Covid-19 pandemic. Three years later, we are still facing a housing crisis that has coincided with an economic downturn that has forced many to work multiple jobs just to survive.

As it currently stands, over two-thirds of our educators across our school system do not live in the County, with many being unable to afford to live here. In numerous cases, our educators must travel over 40 minutes to and from neighboring counties because rent costs have reached a new level of unsustainability.

Incredibly, in the richest state in the nation, students have been forced to live in county shelters or out of vehicles because of evictions created by soaring rent prices. This is especially true in our communities of low income.

According to a 2018 Office of Legislative Oversight report, 8% of writs of eviction led to evictions in one year. That may seem like a small number, but that is approximately 1,000 primary lease holders who were subject to the trauma of displacement. Breaking that number down, and we find the following staggering statistics:

- Three of the County's election districts had significantly more Writs of Restitution and evictions than other parts of the County: District 13 (Silver Spring & Wheaton-Glenmont), District 9 (Gaithersburg, Montgomery Village & southern Germantown) and District 5 (Burtonsville & White Oak).
- Each of those districts had a poverty rate above 7%, with two of them having poverty rates as high as 9%.
- When overlapping the writs of eviction with our Title One schools, we find that all MCPS Title One schools are in those three districts. This means that our poorest communities, which house some of our most diverse schools, saw significantly higher displacement.

It is not often that we see competing pieces of legislation around one topic, but that speaks to the housing crisis we find ourselves in. However, there are two big differences between both bills introduced:

- ☒ One bill, the HOME Act, will stabilize rents at 3% and provide thoughtful exemptions for capital improvements and new construction.
- ☐ The other bill will stabilize rents at 8% + CPI, effectively codifying double-digit rent increases and predatory landlords' displacement of tenants.

The rent stabilization guidelines in the H.O.M.E. Act would ensure that our students and educators are not displaced by exorbitant rent costs. MCEA stands in solidarity with County Executive Elrich, and Councilmembers Mink and Jawando, and the 25+ organizations that have been included in this bill-drafting process. This was a process undertaken with care and collaboration, and one that actually heard from all stakeholders. The HOME Act is the only legislation that will keep people in their current living situations while simultaneously allowing the county to build deeply affordable housing.

The H.O.M.E Act would give families the ability to plan their futures and remain in the communities they love.

We speak of ourselves as a welcoming and equitable county.

Let us live up to our ideals and act on those words so our residents can call Montgomery County their lifelong home.

Sincerely,

Jennifer Martin

MCEA President



March 5th, 2023

Montgomery County Council  
100 Maryland Avenue, 6th Floor  
Rockville, MD 20850  
240- 777-7900  
[county.council@montgomerycountymd.gov](mailto:county.council@montgomerycountymd.gov)

**Letter in Support of Bill 16-23, Landlord-Tenant Relations – Rent Stabilization (The HOME Act)**

Dear President Glass, Vice President Friedson, and County Councilmembers:

The Montgomery County Young Democrats (MCYD) urge the County Council to support [Bill 16-23, Landlord-Tenant Relations – Rent Stabilization \(The HOME Act\)](#), establishing an annual maximum rent increase for rental housing in the County and permitting a landlord to submit a petition for a fair rent increase. Renters are experiencing a lack of stability and predictability for the cost of their homes, leading to many residents getting pushed out and facing eviction. This bill is needed to ensure that people have access to affordable housing in Montgomery County with market stability.

As previously mentioned in our letter of support regarding Bill 22-22, during the COVID-19 pandemic the County Council enacted limits on rent increases in order to protect residents harmed by high unemployment and to ensure they could stay in their homes during a global pandemic. However, the once temporary protections must now become permanent, in order to ensure members of our community are not improperly subjected to unfair rental increases. MCYD continues to understand that landlords have a right to earn a living, but in a decent and fair society, residents should have a right to equitable and predictable housing market changes as well.

Montgomery County continues to face a housing crisis where many residents are struggling to find affordable housing. [Renters make up approximately 37% of Montgomery County residents](#) and already tend to pay higher percentages of their income on housing than homeowners. [The Washington Post reported](#) that since 2019 average rent prices in Montgomery County have increased by 8.3%. But many County residents are reporting far more significant rent increases—10%, 20%, and even higher hikes—which have resulted in people being priced out of their homes. Silver Spring residents wrote to the Council of monthly rent increases of \$200-\$400.

While renters do have the power to file complaints about rent increases, many people are unaware that they have this right or lack the knowledge to navigate that process. Bill 16-23 aims to limit rent-stabilized units to annual rent increases matching the predetermined [Voluntary Rent Guidelines \(VRG\)](#), which is a rate of 3% or lower.

Black and Latino families disproportionately rent their homes instead of owning them. Because of a shortage of housing, people encounter substantial difficulties in finding and keeping their rental property. Moving is also costly and risky for residents, who have to pay security deposits, move their belongings, and get situated. And when residents are evicted due to their inability to meet rent increases, the results are traumatic, often resulting in people becoming homeless and living on the streets. Eviction harms people's mental and physical health, hurts their financial wellbeing, hinders their efforts to rise out of poverty, and harms their future attempts to get housing.

Bill 16-23 outlines necessary solutions to the disproportionate and inequitable rent increases occurring all through the County. For over 10 years, the Voluntary Rent Guidelines were around 2.25%, and averaged 3% over the last 20 years. Bill 16-23 is proposing a 3% cap which would be well within County standards, allowing for much needed predictability to tenants. The bill also provides an opportunity for landlords to petition and apply for rent increases above the proposed annual allowance by filing a Fair Return Petition. By allowing landlords to petition for rent increases, they can state their claim for why the rent increase helps cover their bottom line: current net operating income. The measures in [Bill 16-23](#) will provide much needed protections for renters in the light of unaffordable housing and account for the landlords who are accountable for covering their operating income so as to make a profit.

Housing is a human right. Bill 16-23 will ensure that renters are protected against unpredictable and unstable rent increases, ensure that more people have access to affordable housing, reduce evictions, and promote equity and justice in our society.

MCYD urges that this bill be brought up for a vote and for a favorable report on the bill. Codifying rent stability as permanent law will significantly help renters disproportionately burdened by profiteers. Please contact us at [mocoyoungdems@gmail.com](mailto:mocoyoungdems@gmail.com) if you have any questions.

Sincerely,

The Montgomery County Young Democrats





Maryland Poor People's Campaign

Contact: Linnell Fall, Michael Puskar, Alana Suskin, MD PPC Tri-Chairs

[policy@mdpoorpeoplescampaign.org](mailto:policy@mdpoorpeoplescampaign.org)

Dear Council President Glass, Council Vice President Friedson, and members of the County Council:

The Maryland Poor People's Campaign strongly supports the passage of the Housing Opportunity, Mobility, and Equity (H.O.M.E.) Act and we urge you to act swiftly to ensure it is enacted into law.

Its importance as a means to help low-wealth families obtain secure housing cannot be overstated. We applaud the County Council's prioritizing this essential need and finding a solution. This legislation offers a first step in changing the moral narrative and moving towards such outcomes. The Maryland Poor People's Campaign is part of a nationwide social justice movement that advocates for poor and low-wealth individuals in our nation. We seek to change the moral narrative that drives our economy and political system by working to uplift poor and low-wealth families to ensure their needs are acknowledged and addressed when legislatures take on the issues that so profoundly impact their lives. In the past few years, we have advocated for progressive legislation on the county and state levels to address lack of affordable housing, criminal justice reform, including reform of the juvenile justice systems, healthcare disparities and lack of available medical insurance, food insecurity, obtaining justice for communities impacted by environmental degradations, and reforms in the educational system that would produce more effective outcomes for all communities.

We recognize that addressing housing insecurity in Montgomery County and producing more affordable housing may be a complicated task, but we see this bill as an essential part of the solution. This bill would effectively limit annual rent increases for rent-stabilized units to amounts matching the Voluntary Rent Guidelines (VRG) or 3% annually, whichever is lower. While many local landlords follow the VRG's established in 1983, some do not, and those who don't follow it place low-income, working families in situations of extreme uncertainty regarding their housing costs. This uncertainty is particularly burdensome for that group of Maryland renters (roughly 26%) who must spend more than half their monthly income on housing costs, including heat and utilities. Such families cannot afford to be in situations where landlords are continually raising rents well-above annual inflation rates.

The H.O.M.E. Act would provide much needed predictability to tenants and a 3% cap is in line with the standards the county has had for the past few decades. It would also match the actions being undertaken in neighboring Prince George's County, which is now passing a similar law. We also believe the H.O.M.E. Act contains sufficient provisions that are also fair to landlords.

Therefore, we urge the County Council to support the H.O.M.E. Act.

Dear Councilmember Mink and Councilmember Jawando

350 Montgomery County strongly endorses the H.O.M.E. Act (Housing Opportunity, Mobility, and Equity). Since the expiration of temporary rental protections there has been nearly a ten-fold increase in evictions. It is imperative that the County support strong renter protections to prevent rent gouging, reduce displacement, and create cost predictability for renters and landlords in the County. While capping rent hikes, the HOME Act responds to the need to build additional units through effective incentives for new properties, as well as upgrades.

350 Montgomery County is a leader in the climate justice movement in Montgomery County. The connection between stable rents and climate is unequivocal. The most obvious is that affordable housing allows residents to live closer to their jobs, reducing transportation costs and offering employers a more reliable workforce. But as communities across the country are experiencing, the high cost of housing leads directly to an increase in homelessness, creating a strain on local budgets. Additionally, homeless people are particularly vulnerable to extreme climate events.

We urge the Council to pass the HOME Act in its current form.

The 350 Montgomery County Steering Committee

James L (Jim) McGee  
Steering Committee / 350 MoCo  
202-256-9594



### **Letter In Support of the Home Opportunity, Mobility, and Equity Act**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

**Montgomery County DSA strongly supports the passage of the Housing Opportunity, Mobility, and Equity Act., and we thank Councilmembers Jawando and Mink for introducing this legislation.**

The Montgomery County, MD branch of Metro DC DSA organizes to build local democracy, fight for tax justice and against austerity, demand rent control and sustainable housing, fight fascism, and build solidarity here and abroad. We have 629 dues paying members from across the county spanning from high school students to retirees, with a mix of tenants, homeowners, other residents and even landlords. Through consistent door-to-door outreach in working-class neighborhoods across the county, we have knocked on close to 2,000 doors and found near universal support for limiting rent increases to 3% or lower. Renters were enthusiastic to share their stories with members of the council through letters, videos and direct face-to-face conversations with council members. What we have heard repeatedly from renters is that they urgently need the HOME Act to pass to prevent displacement and guarantee stability.

**Renters are already being displaced:** A large number of residents are already being immediately and severely harmed by rent increases, even those that are 3-15%. About 40% of renter households in the county are cost-burdened, spending more than 35% of their income on housing. In our outreach, renters consistently share that they can hardly afford the rent as it is now, let alone an increase of \$75, 100 or more a month. One of our organization's leaders, Tim, a longtime county resident, received an increase of 13% just after the emergency rental protections expired in 2022—what amounted to \$180 more a month—and ended up moving out of the county in search of more affordable housing.

**Renters need stability, and it's not a tall lift:** A 3% cap is in line with the voluntary rent guidelines the County has held for decades and provides much needed predictability to tenants. We have many members who are young people in school, parents starting families, or seniors moving to retire on a fixed income. For all of those members, knowing that their rent won't increase more than, say \$45 a month on a \$1500 lease, or \$75 a month on a \$2500 a lease is crucial when it comes to planning their futures and deciding whether they can stay in the county or not.

**Other forms of aid are not enough:** our shelters are at capacity, federal rental assistance is over, the state has shown no guarantees of moving to continue to fund rental assistance, pandemic SNAP assistance is ending, and the pandemic and economic crisis is ongoing. Failing to limit rent increases to 3%, relying only on new construction or the prospect of new rental assistance would essentially subsidize landlord and developer gouging to ensure developer profits.

Montgomery County DSA  
Contact: Olivia Delaplaine  
[montgomerycountydsa@gmail.com](mailto:montgomerycountydsa@gmail.com)



**The HOME act will bring us in line with the region:** Prince George's County just passed a rent stabilization bill with the support of their county executive that would limit rent increases to 3%, and the City of Mount Rainier just did as well.

**We need the HOME Act Now to prevent displacement and ensure stability for tenants all across the county. *We urge the County Council to support the HOME Act.***



Montgomery County Council  
100 Maryland Avenue  
Rockville MD 20850

March 7, 2023

Dear Montgomery County Council Members:

The Montgomery County Racial Equity (MORE) Network appreciates that the previous County Council passed and extended emergency rent stabilization during the height of COVID to protect tenants during difficult times. **The MORE Network urges this Council to make rent stabilization permanent by passing Bill 16-23, the Housing Opportunity, Mobility, and Equity (HOME) Act.**

According to the Racial Equity and Social Justice Impact Statement for the previous Bill 30-21, “Low-wealth and low-income households have been negatively impacted by the financial burdens associated with the pandemic. These households lacking access to affordable and safe housing, also known as secure housing, are also at greater risk of experiencing evictions and homelessness. Many of these households who are disproportionately Black and Latinx in Montgomery County were at risk for evictions and homelessness prior to the pandemic.”

The fact that Black and Latinx renters experience acute housing insecurity is backed by data:

- Among renter households in 2019, rent-burden (expending 30 percent or more of income on rent) was experienced among 66 percent of Latinx renters and 60 percent of Black renters compared to 40 percent of White renters and 33 percent of Asian renters.<sup>1</sup>
- Among COVID Relief Rental Program clients (approved as of April 4, 2021), 43 percent were Black and 37 percent were Latinx while 9 percent were White and 3 percent were Asian or Pacific Islander.<sup>2</sup>
- Among families experiencing homelessness in 2020, 78 percent were Black, 15 percent were White, 9 percent were Latinx, and 2 percent were Asian.<sup>3</sup>

Several community organizations from our coalition have shared stories about residents who have already been pushed out of Montgomery County and forced to move to different parts of Maryland. Displacement cannot be the solution. We look to the Council to address displacement with a package of solutions, including direct rental assistance, funding affordable housing, and creating a permanent rent stabilization policy with an annual rate that caps at 3%, to ensure that community members are not forced out of their homes because of rising costs.

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<sup>1</sup> Racial Equity and Social Justice (RESJ) Impact Statement for Expedited Bill 30-21  
<https://www.montgomerycountymd.gov/OLO/Resources/Files/resjis/2021/Bill30-21RESJ.pdf>

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

We must remember that housing and food are foundational to our well-being, and deficits in these areas have a profound impact on the physical and mental health of residents. Also, the high cost of living exacerbates already overcrowded housing conditions, which exposes residents to additional health concerns and high levels of stress.

**We urge the Council to fulfill their public commitment to racial equity and social justice by taking action for tenants and for families and supporting the HOME Act.**

Our Revolution Montgomery County  
4220 Franklin St.  
Kensington, MD 20895  
Contact: Kat Uy  
kat@ourrevolutionmd.com



### **Letter In Support of the Home Opportunity, Mobility, and Equity Act**

Dear Council President Glass, Vice President Friedson, and members of the County Council,

Our Revolution Montgomery County strongly supports the passage of the Housing Opportunity, Mobility, and Equity Act.

First, we would like to extend our thanks to Councilmembers Jawando and Mink for introducing this critical bill. As you may know, Bernie Sanders launched Our Revolution, America's leading grassroots-funded progressive political organizing group, to empower everyday Americans to stand up to the corporate interests that seek to manipulate our government for personal gain. We at Our Revolution Montgomery County have worked to establish our county as a laboratory for progressive policies and evidence-based, common-sense government that responds to the needs of its residents rather than a few businesses that make large political contributions. We have three hundred members who have helped to elect progressive leaders in Montgomery County, support legislation that helps protect working families like a higher minimum wage, protection of immigrants, police reform, investment in mass transit projects, affordable housing, and legislation to lessen our reliance on fossil fuels. The members of Our Revolution Montgomery County believe that when we organize, we win. And the proof is in how many of our progressive endorsed candidates managed to be elected in the last two election cycles.

Because of our strong support for working families, and our concern for the pernicious effects of wealth inequality, we strongly support the HOME Act. Capping rent increases at 3% will allow many families to continue to work and live in our county instead of being displaced. Many families continue to struggle in the current economy, and allowing unfettered rent increases will price them out of their current dwellings and ultimately out of the county entirely. Displacing these families hurts the entire community. Less workers hurt services to county residents. Many of the very people who work in the service industry like hospitality, home health care workers, and retail are the very renters that will be severely impacted by unaffordable rent increases. The passage of this bill will keep families in their homes and working in our county, which ultimately benefits all residents.

Fearmongering that enacting rent stabilization will push development elsewhere is no longer tenable. The Prince George's County Council has just passed a similar measure, enacting a 3% cap on rent increase for rental properties in that County, as they move towards a permanent rent stabilization rule. Montgomery County has been justifiably proud as a leader in enacting progressive policies, and our leaders have pulled surrounding counties with them, such as the minimum wage increase that raised wages across the capital region. We are now lagging behind the District of Columbia and Prince George's County in protecting the interests of the large numbers of residents who need affordable rental housing to stay in the region. We must act to prevent the loss of many of the people who make Montgomery County the vital, incredibly diverse community which is recognized each year in surveys of the most diverse communities in the country.

***We urge the County Council to support the HOME Act.***

*Kat Uy  
(Chair of Our Revolution Montgomery County MD)*



Progressive Maryland  
9221 Hampton Overlook  
Capitol Heights, MD 20743  
Contact: Max Socol  
max@progressivemaryland.org



### **Letter In Support of the Home Opportunity, Mobility, and Equity Act**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

Progressive Maryland strongly supports the passage of the Housing Opportunity, Mobility, and Equity Act. We thank Councilmembers Jawando and Mink for introducing this vital legislation.

Progressive Maryland is a grassroots nonprofit organization with regional chapters from Frederick to the Lower Shore and more than 10,000 members and supporters in Montgomery County. In addition, there are dozens of affiliated community, faith, and labor organizations across the state that stand behind our work. Our mission is to improve the lives of working families in Maryland.

This Council has taken several temporary actions over the years to prevent a tidal wave of displacement. Working class, predominantly Black and brown residents of Montgomery County, have deep family and social ties to this county; they frequently do the hard work that makes this county a great place to live. Yet they face immense and inequitable financial burdens that increasingly threaten their ability to maintain decent homes here.

The problem of rapidly rising housing costs is a nationwide challenge, but the solution will be local and is yours to choose. We urge you to follow the leadership of our regional neighbors in Prince George's and pass the HOME Act, which sets a reasonable rate of increase on rents at 3% that protects essential workers and their families, and prevents price gouging. A higher rate cap will not meaningfully prevent displacement, and may even incentivize rents to go up more quickly than they did before.

We are counting on you to recognize the long term implications of relying entirely on rental assistance funds to keep people in their homes, when these funds are frequently inaccessible, slow to be disbursed, and incentivize further rent inflation.

Max Socol  
On behalf of Progressive Maryland

## **Letter of Support**

Dear Council Members,

My name is Rafael Lacayo. I am a Montgomery County resident of 20 years. I am a Rockville resident. I am undocumented. I am an essential Worker. And I'm writing this letter to support the HOME Act. I want it, not because I need to thrive in this county.

Thanks to the Rent Stabilization, I have found stability in this county for the past two and a half years. However, I fear I will be forced to move elsewhere without the protection. My landlord increased my rent by 7.5%! For me, this has brought a lot of financial strain and instability.

If my landlord decides to increase the rent by more than 5 % next year, I will automatically be displaced because Montgomery County has no affordable housing. Therefore, I support the HOME Act because it keeps vulnerable renters like myself housed.

I thank you for your willingness to hear our concerns and for taking action by introducing a bill that will help protect renters.

Sincerely,

Rafael Lacayo.



SEIU Local 500

901 Russell Avenue, Suite 300, Gaithersburg, MD 20879

March 2<sup>nd</sup>, 2023

**RE: Housing Opportunity, Mobility, and Equity Act (HOME Act)**

**Support**

Council President Glass, Council Vice President Friedson, and members of the County Council,

SEIU Local 500 strongly supports the passage of the Housing Opportunity, Mobility, and Equity Act. With over 20 thousand members, most working in Montgomery County, our union urges you to consider the consequences of not making rent stabilization a permanent fixture of what it means to live in this county.

Thank you to Councilmembers Will Jawando and Kristin Mink for their leadership on this issue. Our members work very hard providing care for those in Montgomery County from cradle to career. Whether a childcare provider ensuring kids are prepared for school, an education support professional assisting in the classroom, or a college professor preparing one for a career, a Local 500 member will have a role to play in the development of those in this county. And, yet for many of our members the rising cost of rent is making so that one cannot live in the same county they work. In many cases, just a 5% increase in rent each year results in thousands of additional dollars our working families cannot afford. Families face hard choices resulting in forgoing little league sports, prom, or even hot lunches for their children. And, in the worst cases, families forgo living in this beautiful county.

The goals and objectives of this bill are clear. And, by capping annual rent increases at 3%, we can continue to ensure that our hard working members can continue to provide excellent service and live in Montgomery County.

Thank you for your kind consideration and we ask that this council support the passage of the HOME Act.

Christopher C. Cano, MPA  
Coordinator for Member Political Engagement  
SEIU Local 500

Shane Wade  
Silver Spring, MD

**Please Pass the HOME Act to Help Address Our County's Major Disparities**

Dear Montgomery County Council members,

My name is Shane Wade and I live outside Downtown Silver Spring, in District 4. This past year, my rent increased by 6.8%, from around \$1400 to \$1550. My rent went up, but I have not and continue to not get my money's worth from my residence. There are cockroaches in the building, and poor gym maintenance in my residence. Though this rent increase may seem minor, I have had to as a result cut back on heating my apartment, and I am frustrated that despite paying more money to live in the same place, I have had to waste time and money finding alternative gym amenities much farther away from where I live.

The combination of building neglect and threats of continuous rent increases year after year means that I am seriously thinking of moving, and moving outside of Montgomery County, even though it would mean uprooting my life and disrupting the community I've built in Montgomery County.

**I ask you to please support the Housing Opportunity, Mobility, and Equity Act to stabilize rents at a maximum of 3% and address the dystopian conditions I see in the lives of my neighbors in the county: it is clear that those who can afford rent increases are able to thrive, but anyone who can't afford rents as they are now – much less rents any higher than what they are now – are struggling considerably.**

Thank you for considering my testimony.



March 6, 2023

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

Shepherd's Table strongly supports the passage of the Housing Opportunity, Mobility, and Equity Act. We want to thank Councilmembers Jawando and Mink for introducing this legislation.

Shepherd's Table is a social services nonprofit in Downtown Silver Spring that provides delicious and nutritious daily meals and other resources such as case management, clothing, and vision care. We aim to improve quality of life, create a pathway towards self-sufficiency, and inspire hope for the most vulnerable in our community. In 2022 we served 136,234 meals to folks experiencing food insecurity, many of whom also experience housing insecurity.

Our organization supports the HOME Act because strong tenant protections are vital to ending and preventing homelessness. Housing stability and security are essential, and making sure people know they won't be suddenly priced out of their homes is one way that we can protect our lowest-income renters. With fewer evictions or sudden residential moves due to the inability to pay heightened rents, this legislation could aid the county in its goal of ending homelessness by 2025.

Maryland already has a shortage of affordable housing, and allowing landlords to continue raising rents will amplify this problem. **We believe that the HOME Act is a form of homelessness prevention, and therefore we urge the County Council to support the HOME Act.** If you have any questions, please reach out!

Sincerely,

Brenna Olson, Advocacy Coordinator

[bolson@shepherdstable.org](mailto:bolson@shepherdstable.org)

(301)585-6463x219

8106 Georgia Ave, Silver Spring, MD 20910 Tel: 301-585-6463 Fax: 301-585-4718  
[www.shepherdstable.org](http://www.shepherdstable.org)

(A58)



Sunrise Movement Silver Spring

Contact: Naeem Alam

[sunrisesilverspring@gmail.com](mailto:sunrisesilverspring@gmail.com)

### **Letter In Support of the Home Opportunity, Mobility, and Equity Act**

Dear Council President Glass, Council Vice President Friedson, and members of the Council,

Sunrise Movement Silver Spring unequivocally supports the passage of the Housing Opportunity, Mobility, and Equity (HOME) Act, and we are very grateful to Councilmembers Jawando and Mink for introducing this bill.

We are the movement of young people that brought the Green New Deal to the national stage. It is a vision of the future where we transition our economy from fossil fuels to renewable energy and create millions of good-paying jobs in the process. This means expanded transit, wide-spread electrification, and many, many units of sustainable housing. But the question is, who really benefits?

We want a Montgomery County that is environmentally sustainable, but it must also be economically sustainable. We want expanded mass transit, but not the skyrocketing rents that come with it. We want clean air, but not for our community members to be displaced before they can enjoy it. We want sustainable housing, but not for our community members to be priced out of it. We have all been affected by steep rent increases: Some of us have had to double up with family. Others of us have had to sacrifice essential services like healthcare. All of us have felt both the immediate financial instability and the lasting emotional instability that this creates for youth, who are often moved from location to location or caught in the crossfire of conflicts arising from housing insecurity.

That is why the HOME Act is so important: by limiting rent increases in Montgomery County to 3%, this bill will safeguard both the financial health and emotional health of young people in this county by eliminating the downward spiral caused by eviction for thousands of families. It will also open up endless possibilities for expanded transit and green construction without the fear of rising rents and displacement, so that we can be a model for what a just Green New Deal can truly be.

So that residents young and old may have the secure future that they deserve, we urge the County Council to support the HOME Act to create a county that works for all of us.

Sincerely,

Sunrise Movement Silver Spring

Tiffany Kelly  
Gaithersburg, MD  
772.708.4759  
Mstkelly35@gmail.com

**Letter In Support of the Home Opportunity, Mobility, and Equity Act**

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

We either want stable communities or we don't.

We will do the right thing, or we won't.

Montgomery County spends a lot of time and money to show itself to be a leader on equity. We have forums, townhalls, and information that states what the issues are.

Time and time again, County leadership makes decisions that result in more and more of the same; the most vulnerable, historically marginalized and disadvantaged are left out.

Time and time again, we get more bad policy that continues along the trajectory of widening the chasm between the Haves and Have Nots.

To be frank, the Haves run Montgomery County and the County continues to act in their best interests. That is clear with the bill that is being introduced that calls an 8% increase plus CPI "Rent Stabilization."

That bill a landlord's dream—and to call it Rent Stabilization is a lie.

We must support the passage of the Housing Opportunity, Mobility, and Equity Act—true Rent Stabilization. Thank you to CMs Jawando and Mink for introducing this bill.

As a landlord, and as a community advocate, this is just the right thing to do, if we truly want to have an opportunity for this county to be what it says it is—a place where everyone can live and thrive. We cannot and should not rely on the moral compass of people to do the right thing. From child labor to ethical practices in every industry, we have had to define what that looks like.

If poorly designed policy is put into place, there is no mechanism to fully undo the damage it will cause in the lives of our residents. We cannot afford nor sustain the short-term impacts nor the long-term

damage this will have on the lives of people and their children as they are forced to make decisions on meeting basic needs versus things like college, retirement and their futures.

We must look at the impacts today and at the long haul. This bill is damaging prospects of the most vulnerable, but also other professionals, like our educators.

Let's do the right thing, for once. Pass the **Home Opportunity, Mobility, and Equity Act**. Let's become the county we say we are.





**Gino Renne, President**  
**Lisa Blackwell-Brown, Secretary-Treasurer**  
**Lisa Titus, Recorder**

UFCW Local 1994 MCGEO  
600 S. Frederick Avenue, Suite 200  
Gaithersburg, Maryland 20877  
Office (301) 977-2447 • Fax (301) 977-6752

## In Support of the Home Opportunity, Mobility, and Equity Act

Dear Council President Glass, Council Vice President Friedson, and members of the County Council,

UFCW Local 1994 MCGEO urges the Council to pass the HOME Act to stabilize rents in Montgomery County.

Local 1994 MCGEO represents 8,000 members in Maryland. Our members are nurses, bus drivers, 911 dispatchers and librarians and more. They keep our County running and help to make it such a great place to raise a family. But despite good union jobs, many of them cannot afford to live in the County that they serve.

Every year more and more of members are forced to move to Frederick County or Prince George's County (which recently passed a rent stabilization bill), or even further afield. Those that remain see their spending power eroded by increases in rent and wonder how long they can hold on.

Inflation and rising interest rates have made rent stabilization incredibly important. Even if wage growth throughout the area keeps pace with inflation, there is no cap on rent increases to allow renters to get ahead.

This bill is critical. 40% of Montgomery County residents are renters. And with the average rent over \$2,200, 23% of County residents are paying more than half their incomes in rent. This bill will stabilize these increases and give our members, and the residents that we serve, the predictability that they need.

Given that Prince George's County just passed a rent stabilization measure capping rent increases at 3%, we think the HOME Act is a reasonable approach to steadying Montgomery County rents.

We urge the County Council to pass the HOME Act.

Sincerely,

Amy Millar  
Special Assistant to the President  
UFCW Local 1994 MCGEO



## MONTGOMERY COUNTY PLANNING BOARD

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

February 10, 2021

TO: The County Council for Montgomery County, Maryland, sitting as the District Council for the Maryland-Washington Regional District in Montgomery County, Maryland

FROM: Montgomery County Planning Board

SUBJECT: Bill No. 52-20

### BOARD RECOMMENDATION

The Montgomery County Planning Board of The Maryland–National Capital Park and Planning Commission reviewed Bill 52-20 – Protections Against Rent Gouging Near Transit at its regular meeting on February 4, 2021. By a vote of 5:0, the Planning Board strongly disapproves of Bill 52-20 as written. As introduced Bill 52-20 would limit rent increases in rental housing units within a 1-mile (Red Line and Purple Line) and ½-mile (Bus Rapid Transit) transit buffer.

The Planning Board offers the following comments for the County Council to consider as it deliberates Bill 52-20:

- The Planning Board agrees that the shortage of affordable housing is a crisis and is a major priority that must be addressed through a variety of tools and policies. However, the Board believes Bill 52-20 will have a negative impact on the supply of housing, including disincentivizing construction of new rental housing, thereby hampering the county's ability to provide affordable housing.
- The Planning Board believes that there are more effective ways to address the affordable housing shortage—including increasing the supply of housing, addressing the high cost of construction, and providing a living wage.
- The proposed rent regulation will have unintended negative consequences on the supply of housing that could further constrain the broader housing market and stymie new development and would result in higher rental market prices, outweighing the potential benefits.
- The benefits of rent regulations enjoyed by residents in regulated units will be offset by the negative effects on the uncontrolled units.
- Rent regulation laws can contribute to deteriorated housing quality by creating disincentives for landlords to maintain their properties. The Planning Board feels strongly that it is imperative that the county maintain a supply of healthy, quality housing.

Planning staff completed analysis on rents in Montgomery County and the Red Line and Purple Line transit corridors from 2000-2020. Based on this analysis, the Planning Board believes the Bill 52-20 will have a limited impact preventing rent gouging in Montgomery County, but will likely have negative impacts on the health of the rental market. Market-wide rents have not increased rapidly in

The Honorable Tom Hucker

February 10, 2021

Page Two

Montgomery County in the two focus geographies over the last two decades to suggest the need for a rent regulation. While rents were 40% higher countywide in 2019 than they were in 2000, this is a 1.78% annualized pace over 20 years, which is much less than the annualized 3.37% increase in the Consumer Price Index (CPI). This rate of rent increase is also less than the roughly 2% annual minimum rent increase that developers hope for when evaluating real estate opportunities in order for revenue to outpace the long-run rate of inflation.

While the Planning Board does not believe that Bill 52-20 will be an effective mechanism to meet the county's affordable housing needs, the Council is encouraged to work collaboratively with the Planning Board to address the affordable housing crisis through other strategies and tools.

#### **CERTIFICATION**

This is to certify that the attached report is a true and correct copy of the technical staff report and the foregoing is the recommendation adopted by the Montgomery County Planning Board of The Maryland-National Capital Park and Planning Commission, at its regular meeting held in Wheaton, Maryland, on Thursday, February 4, 2021.

A handwritten signature in black ink, appearing to read 'Casey Anderson', with a stylized flourish at the end.

Casey Anderson  
Chair

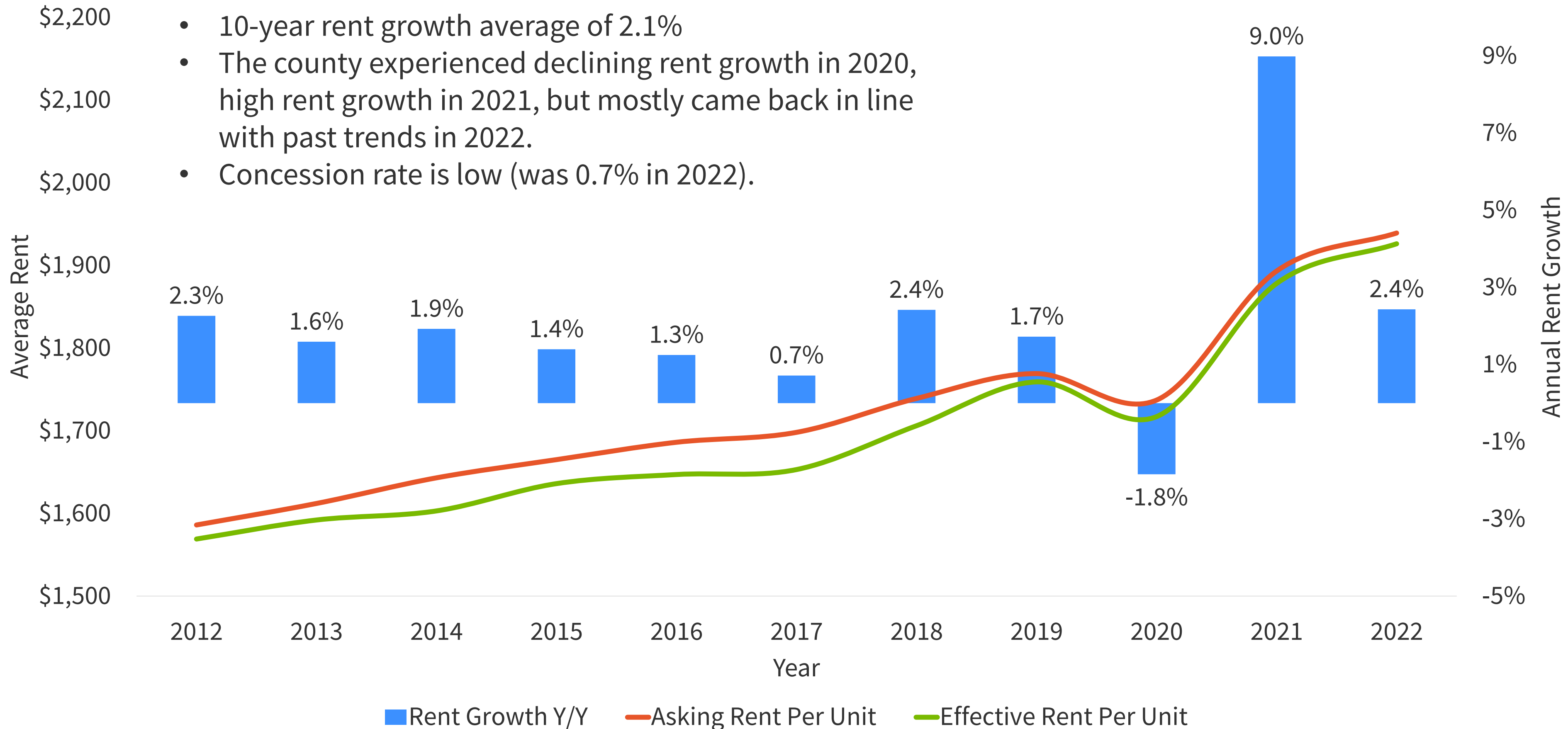
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# About CoStar Rent Data

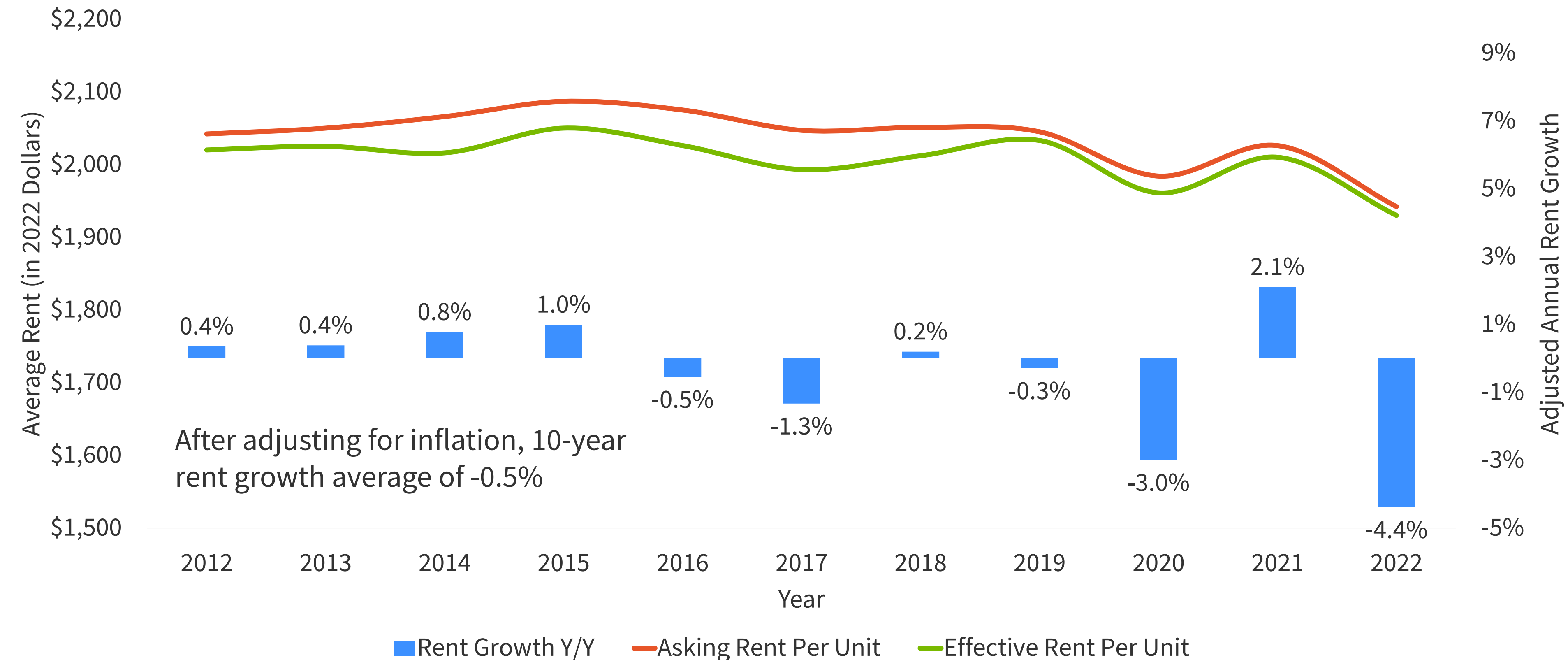
- The data on the subsequent slides come from CoStar, which provides data and analytics on real estate markets.
- The market rents reported by CoStar represent **current** asking rents of **available units**.
- This data **does not** include in-place/renewal rents.
- What this means:
  - If an existing tenant receives a rent renewal with an increase and accepts that increase, that information **is not** included in what CoStar reports
  - If an existing tenant receives a rent renewal and chooses to vacate, the current asking rent for a new lease for that unit **is** included in the rent information CoStar reports.
- Additionally, CoStar tries to capture any specials or concessions, but they only focus on free months or reduced rents.
- CoStar data speaks to market trends and not necessarily the experience of every renter.

# Market Rent Per Unit & Y/Y Rent Growth

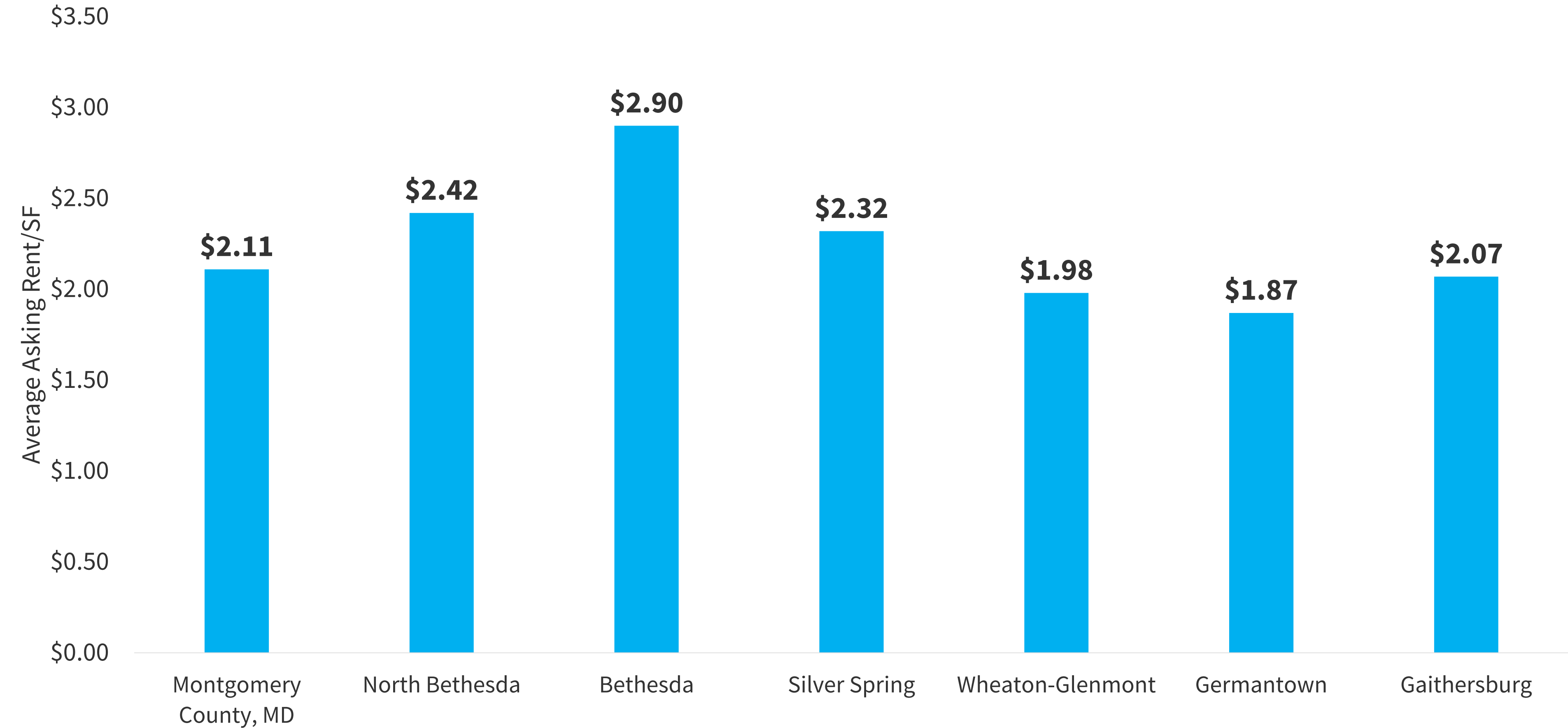
- 10-year rent growth average of 2.1%
- The county experienced declining rent growth in 2020, high rent growth in 2021, but mostly came back in line with past trends in 2022.
- Concession rate is low (was 0.7% in 2022).



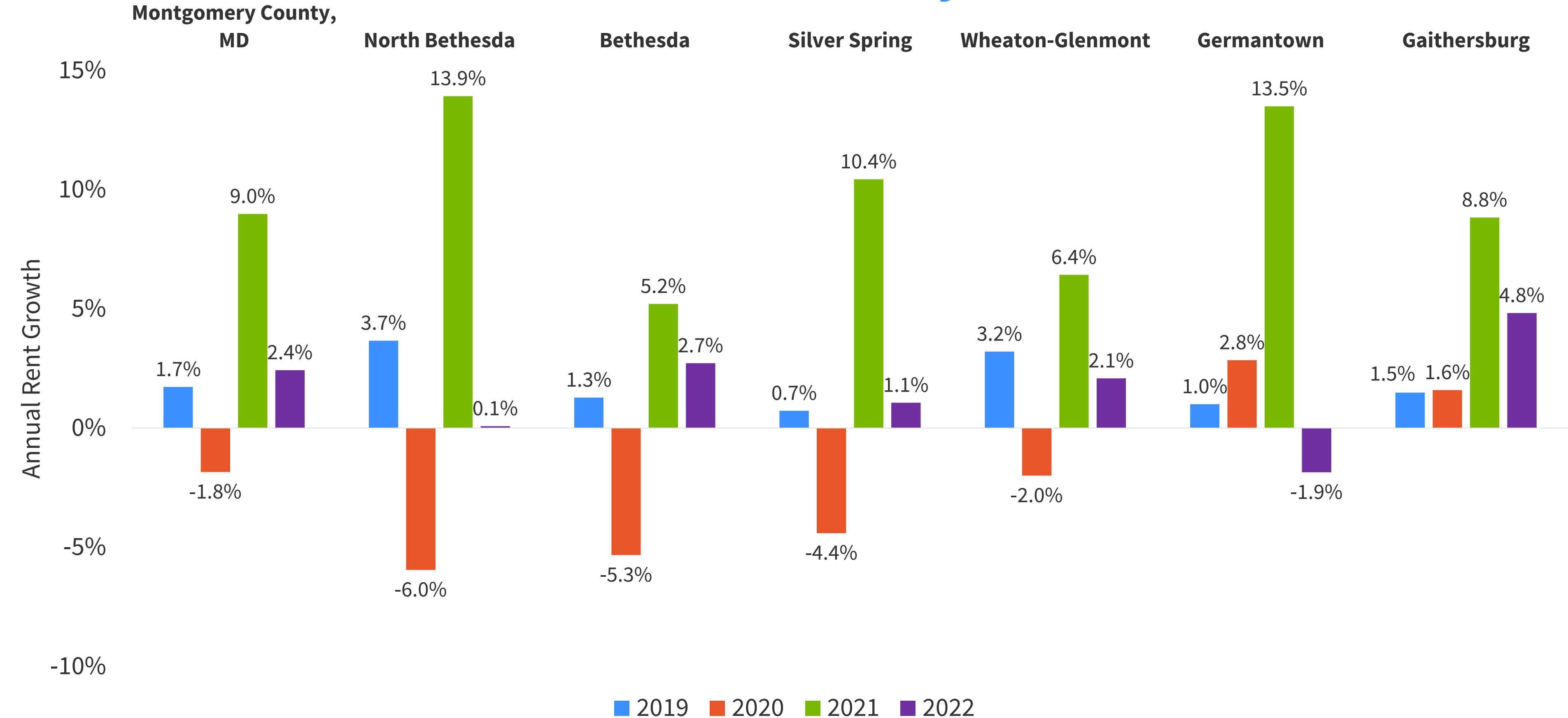
# Market Rent Per Unit & Y/Y Rent Growth – Inflation Adjusted



# Average Asking Rent/SF by Submarket (2022)

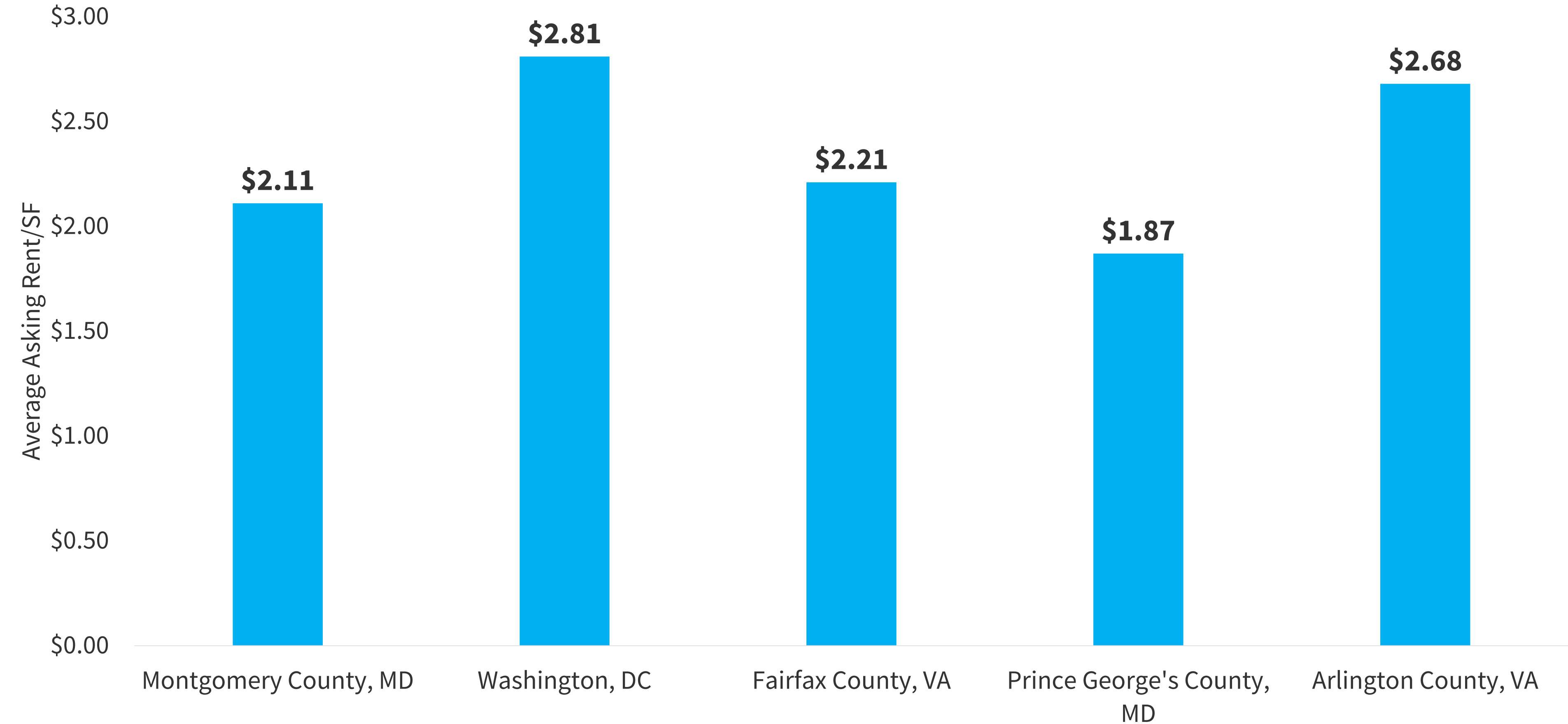


# Y/Y Rent Growth by Submarket

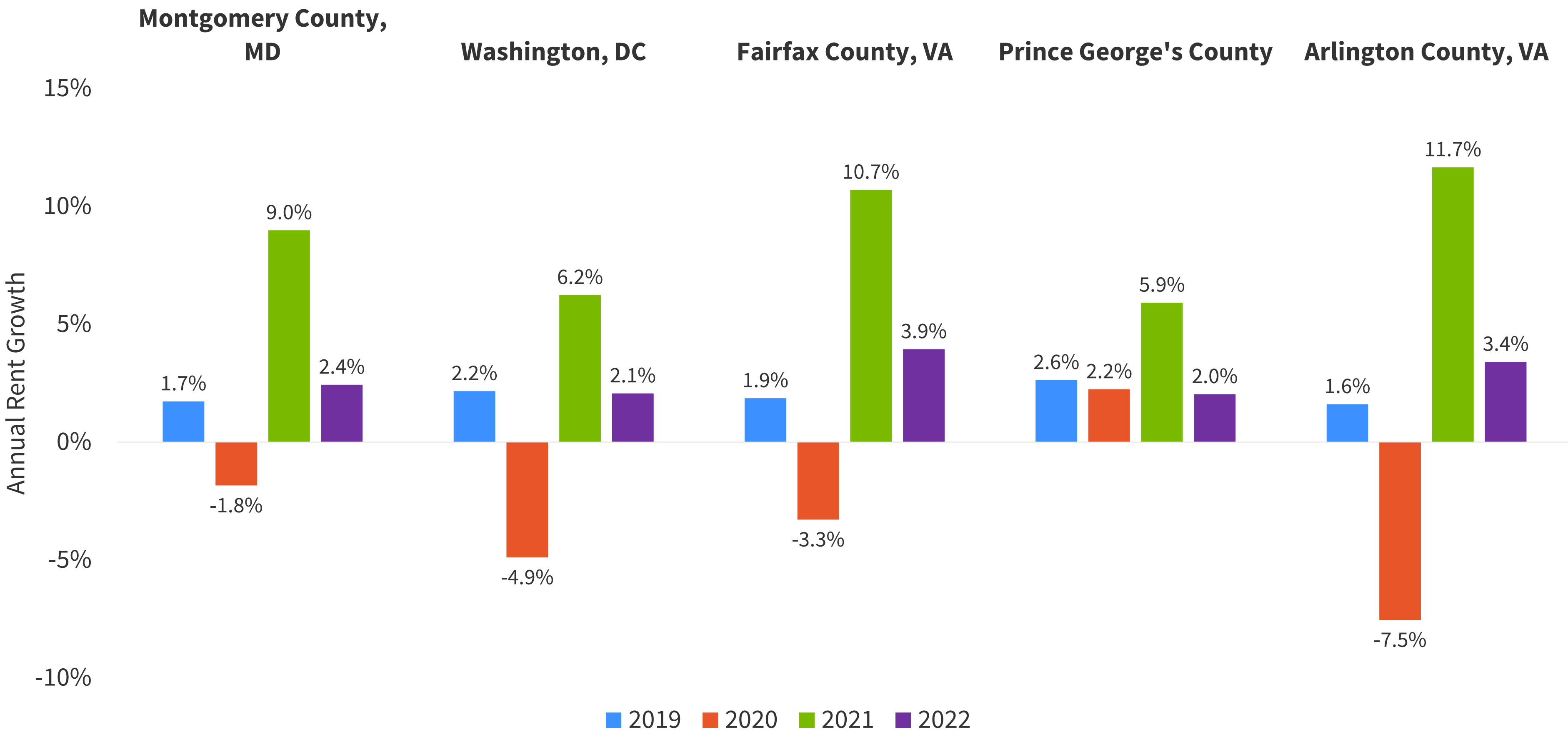




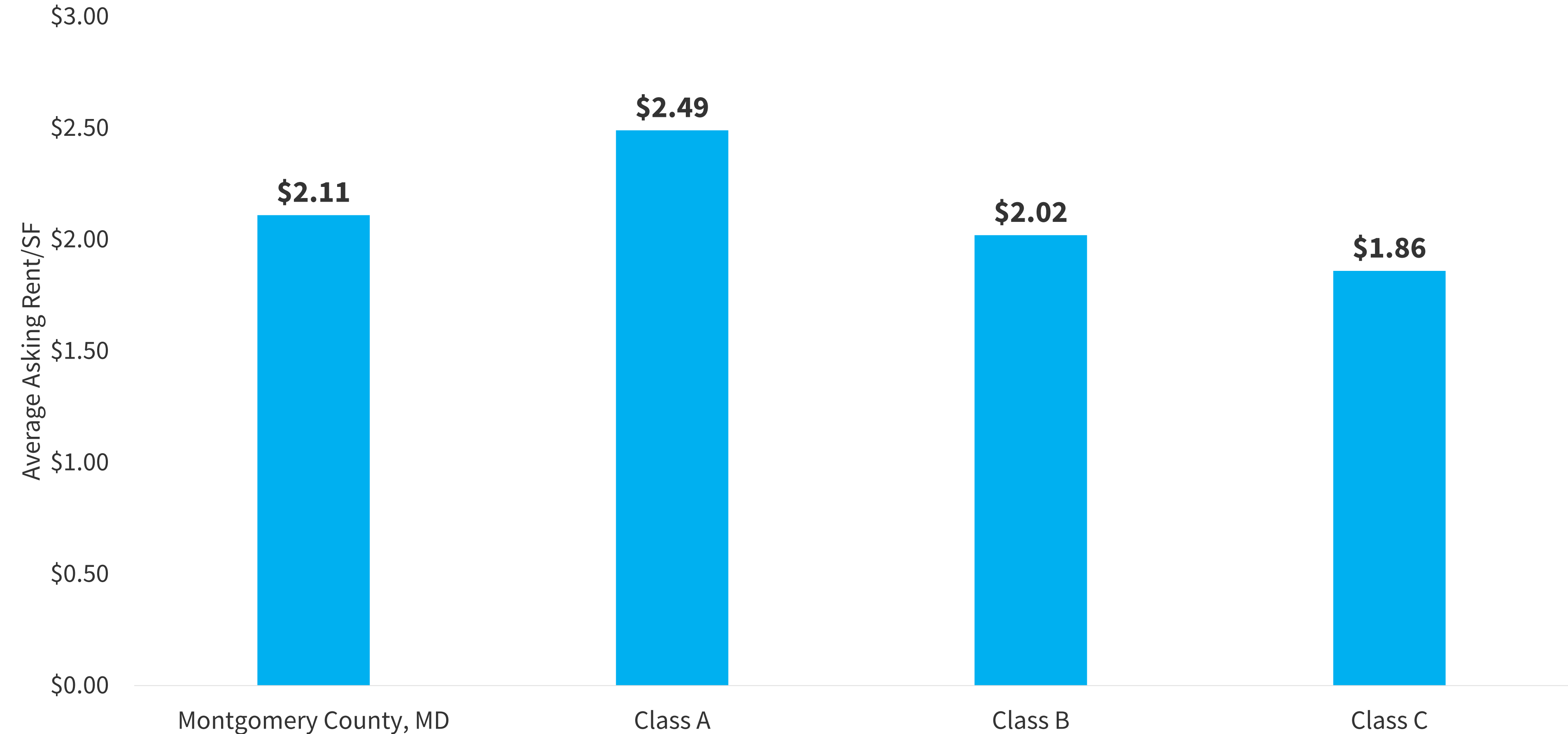
# Average Asking Rent/SF by Jurisdiction (2022)



# Y/Y Rent Growth by Submarket



# Average Asking Rent/SF by Building Class (2022)



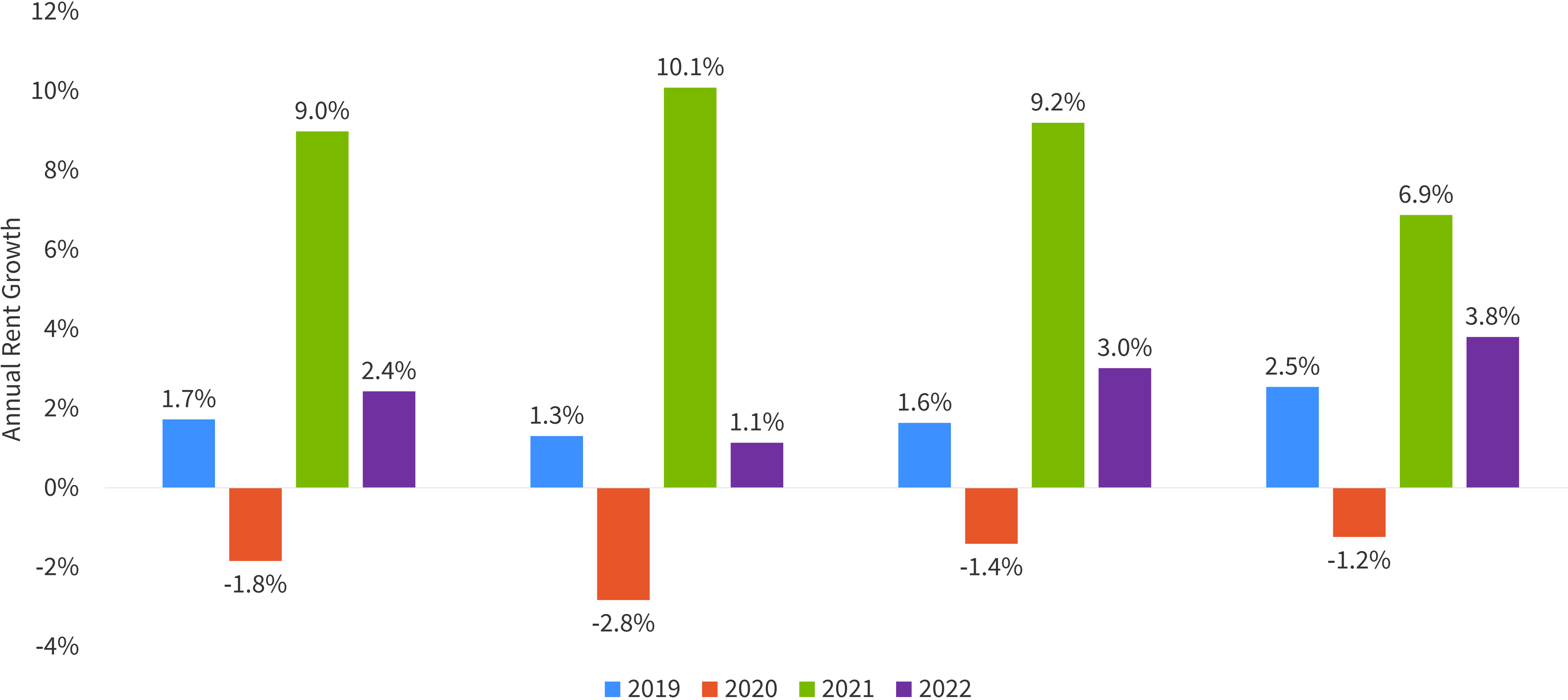
# Y/Y Rent Growth by Building Class

Montgomery County, MD

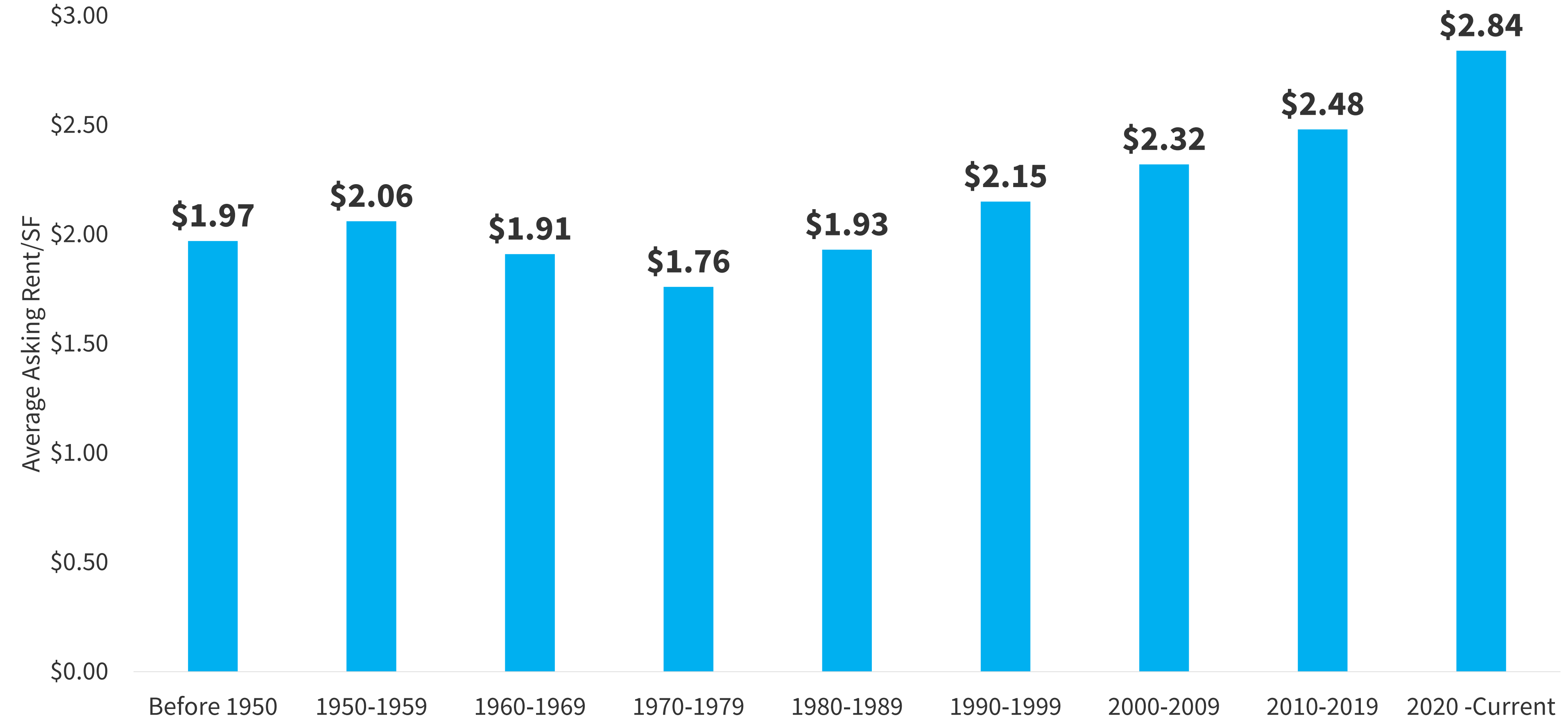
Class A

Class B

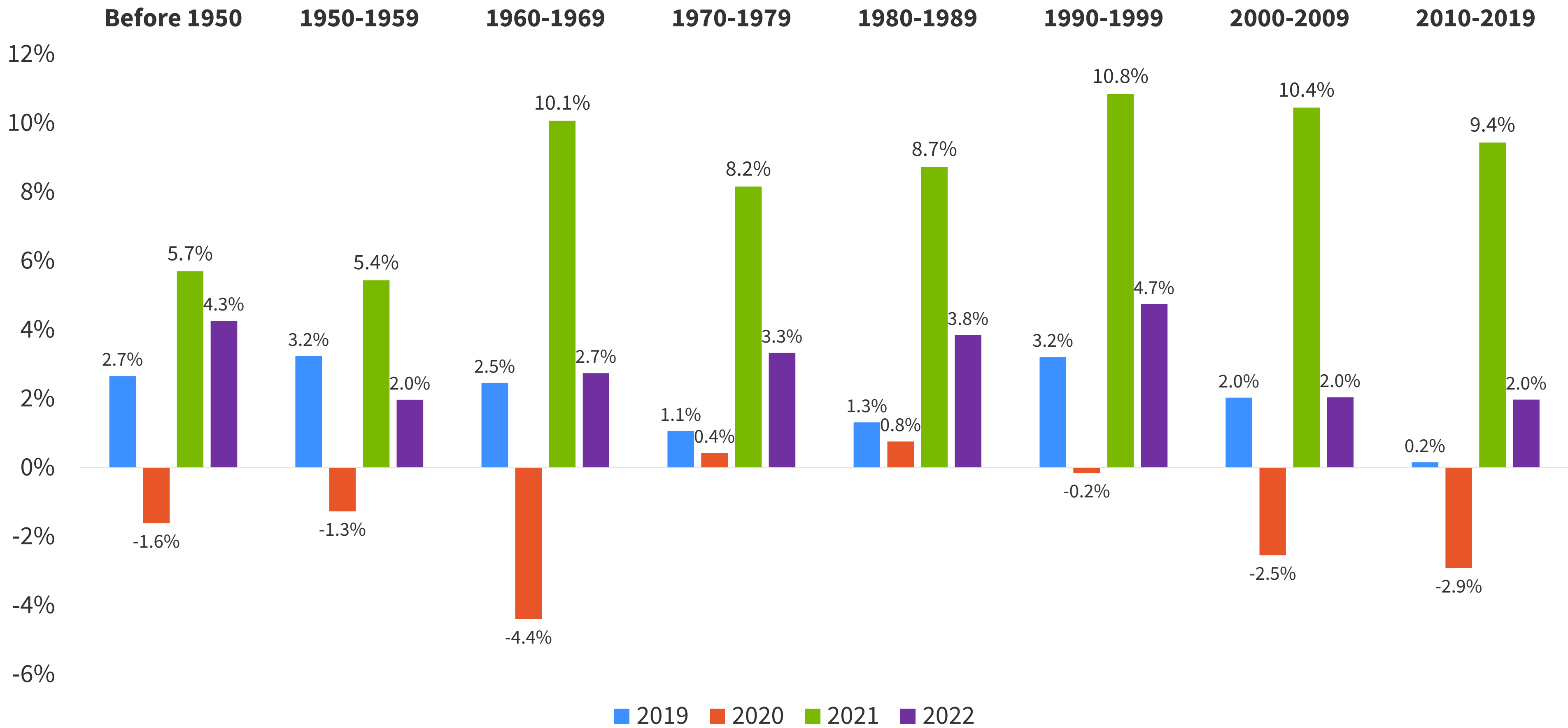
Class C



# Average Asking Rent/SF by Year Built (2022)



# Rent Growth by Year Built



# Vacancy Rate

