PHED COMMITTEE #3
March 19, 2012

MEMORANDUM

March 16, 2012

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: **Discussion: Review of Tenants Work Group Report**

At this session, the PHED Committee will have an opportunity to review the recommendations of the Tenants Work Group Report, consider the Executive's positions on the recommendations, and determine what next steps should be taken. The report contains some recommendations about condominium conversion and the Landlord-Tenant Commission that Council staff suggests be deferred to another time. The report also makes a recommendation about equal access for tenants who are blind, deaf, or have limited language and technology access. The Committee may want to defer this discussion until it can be joined by the Human Rights Commission which works on fair housing issues. In addition, while the Committee should have an overview discussion of the recommendations regarding code enforcement, the Committee should return to the code enforcement issue as a part of its operating budget worksession.

Present for this worksession to provide the Committee with perspectives on the report's recommendations will be:

Rick Nelson, Director of the Department of Housing and Community Affairs,
Matt Losak, who served as Chair of the Work Group and is Executive Director of the Montgomery County Renters Alliance,
Shaun Pharr, Senior Vice President for Government Affairs for the Apartment and Office Building Association, and
Robert Goldman of Montgomery Housing Partnership, a non-profit landlord for affordable housing developments.

A copy of the response from Mr. Nelson (on behalf of the Executive) to the recommendations in the report is attached at © 1-12. A copy of the Tenants Work Group Report is attached at © 13-60 with an Executive Summary included at © 18-21. The Work Group's mission was to:

1. Accurately identify and quantify common and substantive problems confronting renters;
2. Research best practices and successful tenant advocacy models in the region and in the U.S.;
3. Catalogue resources already available to renters across the nation;
4. Review existing local and state codes with the intent of enhancing their effectiveness for protecting renters;
5. Seek public input from a broad range of renters and other interested parties; and,
6. Identify potential solutions to challenges and problems.

The Work Group identified four significant challenges for renters in Montgomery County:

1. Concern over high rent increases;
2. A feeling of insecurity – not knowing if their rental agreements are permanent or affordable;
3. Fear of retaliation among some tenants for raising concerns or organizing other tenants; and,
4. Confusion over where to seek help and how to proceed with complaints and building issues.

Council staff suggests the following order for the discussion, starting with the items that are more administrative in nature. The Executive's response is organized in the order in which Work Group recommendations appear in the body of the full report (not the Executive Summary). This cover memo shortens some of the language in the report and response. The location of the response is note by a ©.

1. Revisions to Landlord-Tenant Handbook

DHCA publishes a Landlord-Tenant Handbook that includes a wide variety of topics including obligations of landlords and tenants, licensing requirements, rent obligations, security deposits, leases, lease terminations, and evictions. The last update to the handbook was in 2008 and is available on the DHCA website. The response references a new draft of the handbook and changes that will be made.

A) Recommendation - The Landlord-Tenant Handbook should be given out to each new tenant. A modest increase in the licensing fee could be used to fund the printing costs.

Response - The Executive says the handbook is readily available on–line and landlords will be encouraged to make available copies for tenants or provide information on its availability. (©9, #37)

Council staff notes that the survey included in the Work Group Report indicates that this may not be sufficient. The survey results were that most had not received a Landlord-Tenant Handbook (60%) and most were not aware of the Office of Landlord-Tenant Affairs (62%) or the Commission on Landlord-Tenant Affairs (71%). There are several recommendations about items that should be included in the model lease including a preamble. Reference to the availability of a Landlord-Tenant Handbook and a link to DHCA's webpage should be included in such a preamble.

B) Recommendation - The Landlord-Tenant Handbook should be available through County libraries, housing agencies, Health and Human Services, and other County agencies with significant public contact.

Response - The new edition of the handbook will be made available to these agencies (©10, #46)

C) Recommendation - All information sources, including the website and the Landlord-Tenant handbook, should clarify that a landlord or tenant may not be required to file a formal complaint in order to get help resolving an issue.

Response – The County Executive supports this recommendation and has added it to the draft of the revised handbook (©7, #25)

D) Recommendation - The Landlord Tenant Handbook should include an area for a communications log.

Response - The handbook contains note sections. (©7, #7)

E) Recommendation - The handbook should clarify appropriate uses of fees by landlords.

Response - The Executive supports this and DHCA will update the handbook to further clarify fees that are permissible under State and County laws. (©9, #38)

2. Annual Rental Facility Survey and Report

Each year, DHCA publishes an Annual Rental Facility Survey Report. The report is available on the DHCA webpage.
http://www.montgomerycountymd.gov/content/DHCA/Licensing/PDF/rentalfacilityreport_2010.pdf

The report looks at both "Turnover" rent for new leases and "Holdover" rent for continuing tenants, as well as vacancy rates and differences in rents depending on how utilities are paid. The Montgomery County Code requires the Executive to collect and analyze data on an annual basis. (©61-62) It also requires landlord to maintain aggregate information that must be made available at the County's request. Current practice is that DHCA surveys rental facilities with 12 or more units. For FY11, DHCA received responses from 434 of 454 rental facilities. The decision to survey only buildings with 12 or more units is not specified in law.

At this time, the process for submitting information is not automated. The City of Takoma Park requires landlords to submit their information through an on-line system. While the County report is available on-line, the underlying data is not available or searchable.

A) Recommendation - The voluntary rent survey that forms the basis for the Annual Rent Report should be replaced with a mandatory, verifiable, and valid survey.

Response - The Executive supports making the response mandatory for all facilities of 12 or more units that are licensed by Montgomery County (©1, #1)

B) Recommendation – The revised annual rent report should be accessible on the internet.

Response - The report is posted on the DHCA website (©1, #2)

C) Recommendation - The annual rent report should provide information by zip code and regions (such as the Silver Spring CBD) and should be able to be sorted.

Response - The report does contain information by zip code and regions, the ability to sort may be provided in the future. (© 1-2, #3)

3. Notices in Leases

The County provides a model lease that is available on the DHCA website. A copy of the lease for apartments and condominiums is attached at ©63-74. There is also a lease for single family dwellings.

A) Recommendation - The model lease and other documents should be made available in the most commonly spoken languages.

Response - The model lease and other landlord-tenant information is available in English and Spanish. (©39)

B) Recommendation - Lease language should be clear about security deposits and interest paid. The sample lease is not easily understandable. (See © 64 for language in the sample lease and ©75-81 for additional information from the DHCA website.)

Response - The Executive says that the language in the model lease substantially mirrors State law and is clear and understandable. (©5, #16)

C) Recommendation - The law should be amended so that tenants have less cumbersome alternatives to certified mail to request to be present at a move-out inspection.

Response - The Executive supports this recommendation but notes that it will require an amendment to the State's landlord-tenant law. (©5, #17)

D) Recommendation - The standard lease should be required and written in plain language. Addenda may be added as needed but tenants should have two business days after signing to back out of the lease. This information should be included in the lease.

Response - The Executive generally supports this recommendation but does not support a blanket two-day right of rescission. (©8, #31)

E) Recommendation - The standard lease should include a preamble with major tenant and landlord rights and obligations clearly described.

Response – The Executive agrees and DHCA will incorporate into the model lease. (©8, #32)

F) Recommendation - Supplemental fees should be clearly enumerated.

Response - No need for action. In order to be legally enforceable, fees must be enumerated in the lease. (©8, #33)

G) Recommendation - Tenants should have 30 days after signing a lease to change from a one-year lease to a two-year lease.

Response - The County Executive does not support this and notes current law requires that a two-year lease option be offered at signing (©8, #34)

H) Recommendation - A two-year lease should be offered at every lease renewal.

Response - The County Executive supports this recommendation. (©8, #35)

I) Recommendation - The availability of DHCA's "Wear and Tear Handbook" should be referenced in the lease.

Response - DHCA agrees and will incorporate a reference in the model lease. (©8, #36)

4. Voluntary Rent Guidelines – Notice of Rent Increase – Complaint Process

Montgomery County issues voluntary rent increase guidelines each year and has notive requirements for landlords who choose to increase rent. The sections of the Montgomery County Code that establish these requirements are attached at © 82-83. The Code requires that the guidelines be based on the residential rent component of the Consumer Price index for all urban consumers in the Washington-Baltimore are, or any successor index, for the preceding calendar year. The most recent letter from the Executive about the 2012 guidelines is attached at © 84 and a listing of the guidelines at ©85-86. A "Tips for Tenants" that is available on the DHCA website is included at ©87. Information on rent increases is also included in the model lease (©70). The Tenants Work Group Report discusses the voluntary rent guidelines on © 25 which is included in their overall section on Affordability and Security of Rental Housing (©22-34).

A) Recommendation - The formula for calculating the rent guidelines should be reviewed and potentially revised to provide a better standard for determining fair rental adjustments. The Work Group included other examples at ©25.

Response - DHCA and AOBA have attempted to identify a different formula to address expressed concerns but an alternative formula has not been identified. The Executive will consider an alternative formula suggested by any interested group (©2, #6)

B) Recommendation - The required 60-day notice for rent increases should be extended to 90 days.

Response - The Executive agrees with this recommendation (©2, #7)

C) **Recommendation** - Rent increase notices should state who the tenants may contact.

Response - Landlords are required to inform tenants they have the right to contact DHCA if they believe their increase is excessive. MC 311 is the number for complaints regarding excessive rent. (©2, #5)

D) Recommendation - All county responses to calls regarding rent increases should be standardized and calls received should be recorded.

Response - Office of Landlord Tenant Affairs and MC 311 provides standardized responses and MC 311 ensures that a record of calls is maintained (©2, #4)

Note - Several other responses also identify that the tracking of phone call, e-mail, and walk-in transactions are recorded in the MC 311 system (©7, #27 and #28)

5. Month-to-Month Rent Surcharge

A) Recommendation - Montgomery County should pass legislation limiting or banning rent surcharges for month-to-month tenants. Month-to-month tenants should be required to give at least two months notice and be fully liable for rent during that period.

Response - The Executive supports legislation that would prohibit surcharges for month-to-month tenancies that occur after a lease has expired. DHCA notes that majority of landlords do not have a surcharge but some do and they are quite substantial. Two months notice is already required for vacating units in multi-family facilities. (©3, #9)

6. Rent Stabilization

(A) Recommendation - To maintain reasonable and predictable rent increases, a rent stabilization law for Montgomery County should be enacted.

Response - The Executive does not support this recommendation. (©2-3, #8)

The following table shows the reported rent increases for 2009-2011 compared to the voluntary rent guidelines for those years.

TURNOVER (new tenant)	% increase		% increase		% increase	
	2011	Guideline	2010	Guideline	2009	Guideline
Bethesda Chevy-Chase	4.2%	2.0%	-1.4%	2.8%	6.4%	4.4%
Colesville-White Oak	4.1%	2.0%	-3.0%	2.8%	6.1%	4.4%
Darnestown-Potomac	NA	2.0%	NA	2.8%	3.9%	4.4%
Germantown-Gaithersburg	4.7%	2.0%	0.9%	2.8%	-1.3%	4.4%
Olney	-8.5%	2.0%	11.9%	2.8%	-1.0%	4.4%
Rockville	7.1%	2.0%	1.6%	2.8%	1.4%	4.4%
Silver Spring-Takoma Park	0.9%	2.0%	5.0%	2.8%	3.0%	4.4%
Upper Montgomery County	-20.7%	2.0%	3.7%	2.8%	1.2%	4.4%
Wheaton	3.6%	2.0%	2.3%	2.8%	1.3%	4.4%
Countywide	**3.8%**	**2.0%**	**1.5%**	**2.8%**	**3.0%**	**4.4%**
HOLDOVER (continuing)	% increase		% increase		% increase	
	2011	Guideline	2010	Guideline	2009	Guideline
Bethesda Chevy-Chase	3.9%	2.0%	2.4%	2.8%	4.0%	4.4%
Colesville-White Oak	3.8%	2.0%	3.8%	2.8%	3.6%	4.4%
Darnestown-Potomac	NA	2.0%	NA	2.8%	3.0%	4.4%
Germantown-Gaithersburg	5.3%	2.0%	2.8%	2.8%	3.2%	4.4%
Olney	3.2%	2.0%	7.0%	2.8%	3.0%	4.4%
Rockville	4.9%	2.0%	4.0%	2.8%	5.4%	4.4%
Silver Spring-Takoma Park	3.6%	2.0%	2.8%	2.8%	4.2%	4.4%
Upper Montgomery County	1.2%	2.0%	3.2%	2.8%	4.0%	4.4%
Wheaton	3.9%	2.0%	2.8%	2.8%	3.8%	4.4%
Countywide	**4.2%**	**2.0%**	**3.1%**	**2.8%**	**4.1%**	**4.4%**

The Tenants Work Group report discusses at ©26-27 renters' concerns that they have rent increases far in excess of the voluntary rent guidelines and that tenants who move for affordability reasons only have predictability or one or two years. The report notes other jurisdictions with rent stabilization laws. A summary of the Takoma Park law is attached at ©88.

7. Subletting

A) Recommendation - County law should standardize a reasonable process for subletting, including standards for an adequate substitute tenant.

Response - County Executive agrees and will propose guidelines for subletting which would be an amendment to Chapter 29 of the Montgomery County Code (©4, #13)

8. Just Cause Eviction and Retaliatory Eviction

The Work Group discusses just cause evictions and retaliatory eviction at ©28-29. With regards to just cause evictions, the Work Group notes that a landlord can choose to end a tenancy at the end of a lease without providing any specific reason or rationale with 60 days notice. Tenants have not assurance they will be able to continue to live in their current dwelling in the future.

A) Recommendation - The Work Group recommends passage of a "just cause" or "good cause" eviction to balance the interests of landlord choice and tenant need for predictability.

Response - The Executive does not feel there is the need for this legislation. (©3, #10)

B) Recommendation - To protect tenants' ability to lodge complaints and to organize tenants' association without from retaliation from landlords, retaliatory eviction legislation should be passed.

Response - The Executive does not support this recommendation since retaliatory eviction legislation already exists in State and County law and was amended October 1, 2011 to give tenants most of the rights cited by the Work Group. (©3-4, #11)

Note: Retaliatory eviction is included in the model lease (©69).

9. Code Enforcement and Inspections

The Tenants Work Group Report discusses Code Enforcement and inspections at ©35-37 noting that some building have ongoing maintenance problems and that generally buildings are only inspected every 3 years. While Code Enforcement will inspect on a complaint basis, many tenants do not know what services are available or are afraid that the landlord will know who made the complaint.

A) Recommendation - Buildings should be inspected every year. Buildings that do not have a history of substantial violation should be inspected every three years. Buildings that continue to have repeat violations should continue to be inspected every year. The Work Group recommends that owners of buildings with repeat violations pay for the additional inspections.

Response - The Executive does not support this recommendation, saying that a blanket requirement to inspect building every year is not programmatically or fiscally practical. (©5, #18) He also notes that buildings that are less than 10 years old or building that have high rents do not need to be inspected as often as more moderately priced units. The current inspection procedures that inspect 10% of units plus the common areas is enough to ensure compliance.

The Executive does think that the proposal to have landlords with repeat violations pay for additional inspections should be given further review.

10. Tenant Advocacy

The Tenants Work Group Report discusses the need for and provides recommendations on tenant advocacy at ©43-44 of its report. The Executive has addressed these recommendations at ©11-12. The Tenant Work Group specifically recommended that the Tenant Advocacy structure should exist outside of County Government. The Executive's memo notes that since the issuance of the report the Montgomery County Renters' Alliance has been formed and received an FY12 Community Grant to support its work. The response also notes that DHCA is involved with outreach and that since the report was issued, the District Court has instituted free legal services for civil cases with an attorney available on-duty.

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DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Isiah Leggett
County Executive

Richard Y. Nelson, Jr.
Director

MEMORANDUM

March 12, 2012

TO: Nancy Floreen, Chair
Planning, Housing and Economic Development Committee

FROM: Richard Y. Nelson, Jr., Director
Department of Housing and Community Affairs

SUBJECT: Montgomery County Tenants Work Group Report

On behalf of the County Executive, I am pleased to respond to each of the recommendations of the Montgomery County Tenants Work Group (TWG) in the order in which they are presented in the TWG Report.

1. **Recommendation:** The voluntary rent survey that forms the basis of the Annual Report should be replaced with a mandatory, verifiable and valid annual report.

   Response: The County Executive supports making the response to the Annual Rental Facility Report mandatory for all rental facilities of 12 or more units that are licensed by Montgomery County. Even though the current response rate for such properties is 95+%, he is not opposed to making reporting mandatory. However, the Annual Rental Facility Report also includes information from rental facilities over which DHCA does not have licensing authority. The response rate in these jurisdictions (Rockville, Gaithersburg and Takoma Park) is approximately 90%.

2. **Recommendation:** The revised Annual Rental Facility Report should be easily accessible on the Internet.

   Response: The Annual Rental Facility Report is posted on the DHCA Departmental webpage and is readily accessible to the public.

3. **Recommendation:** The revised Annual Rental Facility Report should provide information by zip code, with online access to sort by various criteria. The report should also identify regions of the county, such as the Silver Spring Central Business District (CBD), Long Branch and the City of Rockville. The rent comparisons should also be grouped by unit size within each location.

Response: The report now provides information by zip code, unit size, and identifies groupings and regions of the county as recommended. The ability to sort might be provided in the future.

4. **Recommendation:** All County responses to calls regarding rent increases should be standardized and all calls received on this subject should be recorded.

   Response: The Office of Landlord-Tenant Affairs ("OLTA") and MC311 provide a standardized answer to inquiries regarding rent increases. The implementation of the MC311 System ensures that a record of all such calls is maintained.

5. **Recommendation:** Rent increase notices should state clearly who tenants may contact (with phone, address, website, and email information) if they deem the rent increase to be excessive.

   Response: County law requires that landlords inform tenants that they have the right to contact DHCA if they believe their increase is excessive. Tenants will be given MC 311 as the number to call for complaints regarding excessive rent increases. Action will be taken to ensure that all landlords are made aware of the MC311 requirement.

6. **Recommendation:** The formula for calculating the rent guidelines should be reviewed and potentially revised to provide a better standard for determining fair rental adjustments.

   Response: DHCA and the Apartment and Office Buildings Association have attempted to identify a different formula to address some expressed concerns. However, an alternative formula for calculation has not been identified. The Executive will consider an alternative formula suggested by any interested group.

7. **Recommendation:** The required 60-day notice that landlords must give tenants regarding rent increases should be extended to 90 days.

   Response: The County Executive agrees with this recommendation and will support such an amendment to Chapter 29.

8. **Recommendation:** To maintain reasonable and predictable rent increases, a rent stabilization law for Montgomery County should be enacted. This law should include provisions to provide a fair rate of return for property owners and reasonable rent adjustments for tenants. In addition, it should also include the following:
   - A preamble describing why the law is being enacted and describing the conditions that make the rent stabilization necessary;
   - Specific language that identifies which types of units are covered; the legislation should be as comprehensive as possible. Mandatory registration for all rental units covered by rent stabilization;
   - Identification of the agency to be charged with the administration and enforcement of rent stabilization measures, such as a Rent Board or Office of Rent Administration;

- The amount of permissible annual rent increases;
- Allowance for renters to contribute reasonable additional payments beyond the cost of rent to cover the cost of unit improvement. Thee contributions should be time-limited, limited in quantity, and should not be added to the base rent;
- Non-waiverable clauses so that tenants and landlords cannot "opt out" of the legislation;
- Strong enforcement provisions; and
- No vacancy decontrol.

Response: The County Executive does not support this recommendation.

9. **Recommendation:** Montgomery County should pass legislation limiting or banning rent surcharges for month-to-month tenants. To increase predictability for landlords regarding unit occupancy, month-to-month tenants under this law should be required to give at least two month's notice before vacating a unit and be fully liable for rent obligations during this period.

   Response: The majority of landlords do not impose a surcharge on month-to-month tenancies. However, when imposed they can be substantial. Therefore, the Executive supports legislation that would prohibit rent surcharges for month to month tenancies after the expiration of the initial lease term. A two month notice is already required for vacating units in multi-family rental facilities. The Executive supports extending this notice requirement to all tenancies.

10. **Recommendation:** We recommend the passage of a just-cause eviction law in Montgomery County. Just-cause eviction laws, also known as "good-cause" eviction laws, balance the interests of landlord choice and tenant need for predictability by requiring landlords to articulate a specific reason for the termination of a tenancy. Absent a valid reason as enumerated in a local statute, the tenancy may continue. These reasons may include:
    - Tenant is delinquent in rent payments;
    - Tenant engages in criminal activity on the property;
    - Tenant causes substantial damage to the unit; and/or
    - Owner seeks to permanently remove the unit from the rental market and/or seeks to use the unit for the lodging or care of an immediate family member. Just-cause eviction laws are currently enforced in the following jurisdictions, among others: Washington, DC, New York City, Los Angeles, Seattle, Chicago, San Francisco, and the states of New Jersey and New Hampshire.

    Response: The County Executive does not feel there is a need for this legislation.

11. **Recommendation:** To protect tenants' ability to lodge housing code complaints and to organize tenants' associations free from retaliation by landlords, the TWG urges the passage of retaliatory eviction legislation by Montgomery County. This type of legislation would contain the following elements:

- A list of protected tenant activities, including: making a good faith complaint to a governmental authority regarding code violations or illegal landlord activity; steps taken by a tenant to assert rights as a tenant under law and/or under lease and participating in and/or organizing a tenant' association;
- A list of specified penalties for a finding of retaliation by a landlord;
- Establishment of retaliatory eviction as the basis for a civil suit, in which the aforementioned rebuttable presumption would not apply; and,
- A requirement that landlords specifically state why a tenancy is not being renewed when the non-renewal comes after a month-to-month tenant has engaged in a protected activity.

Response: The County Executive does not support this recommendation since adequate protections against retaliatory eviction already exist in both State and County law. The State retaliatory eviction clause was amended effective October 1, 2011, giving tenants most, if not all of these rights.

12. **Recommendation:** Recently passed federal legislation (Helping Families Save Their Homes Act) adequately protects tenants living in foreclosed properties, but legislation should be enacted at the local level to ensure that these protections extend beyond the end of 2012, when the federal statute is set to expire.

    Response: No action is needed regarding this recommendation since this law has been extended and does not expire until December 31, 2014.

13. **Recommendation:** The TWG recommends that County law standardize a reasonable process for subletting, including criteria for an adequate substitute tenant. These criteria should be included in the standard lease.

    Response: The County Executive agrees with this recommendation and will propose specific guidelines for subletting. An amendment to Chapter 29, Landlord-Tenant Relations, Montgomery County Code, will be required to implement such a guideline.

14. **Recommendation:** Condominium conversions: A majority of the tenants (51 percent) must vote to approve a condo conversion.

    Response: The County Executive does not support this recommendation. Chapter 11A of the County Code and Title 11 of the State Real Property Article provide substantial protections for tenants facing conversion of a rental facility to condominium status.

15. **Recommendation:** Tenants must be given clear information about the condo conversion process and law. The handbook should:
    - Clearly outline options available to tenants;

- Include resources that can provide guidance for tenant organizations that choose to exercise the option to buy the building. Identified resource organizations need to be experienced and skilled in this area/ A tenant advocacy organization (see Issue IV, section a for TWG recommendation) should be the resource clearinghouse for information.
- Include information about moving assistance (if any exists) and apartment search help;
- List resources to help with financial counseling if they want to consider purchasing a condo unit.
- The condo conversion handbook should be required to be distributed to tenants at the same time that a Notice of Intent to Convert to Condominiums (NICC) is issued.

Response: The County Executive supports this recommendation that additional information be provided in the Condominium Conversion Handbook. However, the Executive does not support the recommendation that information concerning tenants' rights, etc. in the event of a conversion be exclusively disseminated by a tenant advocacy organization. DHCA staff should retain its responsibility to disseminate such information. . Finally, it should be noted that, in the event of a conversion, tenants have a right to purchase their individual unit, not the entire rental facility.

16. **Recommendation:** Lease language should be clear about the use of the security deposit and the interest paid. The sample lease includes language regarding security deposits but it is not easily understandable and should be clarified.

    Response: The language in the model lease promulgated by DHCA substantially mirrors State law. It is clear and understandable.

17. **Recommendation:** The law should be modified so that a tenant has a less cumbersome alternative to certified mail in order to request to be present at the move-out inspection.

    Response: The County Executive supports this recommendation. Implementation will require amending state landlord-tenant law.

18. **Recommendation:** Buildings should be inspected every year. Buildings that have no substantial violations should be inspected every three (3) years. Buildings with repeated violations should be inspected every year. Every three (3) years, inspections of those buildings should include 100% of the units.

    Response: A blanket requirement to inspect all buildings every year is not programmatically or fiscally practical. Buildings that are less than ten years old and/or buildings that have high rents do not need to be inspected as often as older and more moderately priced rentals. The current inspection procedure of 10% of units and common areas is sufficient to ensure code compliance for such properties. Properties that are older are already inspected on a basis more frequent than that required by statute. No evidence has been provided that the current administrative process is not working. Therefore, the Executive does not support the change that TWG is proposing.

Current code inspection procedures do take into account the necessity and reality of inspecting, on a more frequent basis, properties that have a history of violations. Such more frequent inspections are standard operating procedure.

19. **Recommendation:** Owners of buildings with repeat violations should pay for the increased inspection schedule.

    Response: This is an approach that warrants consideration and the Executive has directed DHCA to further review the issue.

20. **Recommendation:** Tenants should be notified in advance of upcoming inspections so that they may submit requests anonymously for certain areas or units to be inspected. Landlords should not be told if there were anonymous requests for inspections.

    Response: Tenants are notified of inspections via a postcard in both English and Spanish. A tenant can remain anonymous regarding a request for an inspection of his or her particular unit as part of an overall inspection of the rental facility.

21. **Recommendation:** Tenants should have the right to grant access to an inspector to enter a unit if the tenant is not home. Tenants should be given reasonable accommodation to be present when the inspection will occur.

    Response: Chapter 26, *Housing Maintenance Standards*, requires that a landlord, after reasonable notice to a tenant, grant access to an apartment for inspection by housing code staff. It is the landlord's responsibility to provide proper notice to tenants that an inspection of the property has been scheduled. If a tenant requests to be present when an inspection occurs, these arrangements are currently being made by housing code staff.

22. **Recommendation:** The Landlord-Tenant Handbook should be clearer about when and how code enforcement staff can be contacted. It should also make clear that the caller may remain anonymous.

    Response: DHCA will revisit the language in the Handbook to ensure that it is clear as to how tenants can contact Code Enforcement and that they may remain anonymous when making a complaint.

23. **Recommendation:** Code enforcement staff should have the flexibility to conduct inspections evenings or weekends without a specified emergency. Sometimes, some of the possible violations are more apparent evenings or weekends. An after-hours phone number should be available for emergencies.

    Response: Code inspections are, upon request, scheduled outside of normal business hours.

24. **Recommendation:** DHCA should develop a new procedure to allow tenants to make repairs and deduct the cost from the next month's rent in the case that landlords do not make necessary repairs for a code violation after a specified amount of time. The tenant must submit this proposal to DHCA to ensure that they are entitled to "repair and deduct".

    Response: The current State rent escrow procedure coupled with action by code enforcement to ensure that rental units are in compliance with Chapter 26 are adequate to address legitimate concerns of tenants in this area. The Executive does not support this recommendation.

25. **Recommendation:** All information sources-including the website, the Landlord-Tenant Handbook, and telephone conversations-need to clarify that landlords and tenants may not be required to file a formal complaint in order to get help with resolving an issue.

    Response: The County Executive supports this recommendation. This information has been added to the draft of the revised Handbook.

26. **Recommendation:** Within practicable limits, exceptions should be allowed to the standard practice of sending copies of complaints from tenants to the landlord. OLTA staff should offer this option to callers with the disclaimer that some issues may not be able to be addressed without identifying the tenant or unit number.

    Response: This is current DHCA staff practice.

27. **Recommendation:** As part of the County's new MC311 phone and online information and service request system, all complaints should be given an identification number so that the caller can follow up and complaints can be tracked.

    Response: All MC311 contacts are given a unique identification number (Service Request No.) so that the caller can follow-up on his/her inquiry.

28. **Recommendation:** Records should be kept of all calls, including those resolved before a formal complaint is filed.

    Response: All transactions are now recorded in the MC311 system, including walk-in customers for OLTA staff.

29. **Recommendation:** The Handbook should include an area for a communication log to track contact with management.

    Response: The Handbook contains two "Note Sections" for the recording of such information.

30. **Recommendation:** It should be explicitly stated on the website and other documents detailing the work of the Landlord-Tenant Commission that members of the Commission must recuse themselves from any case where they may have a conflict of interest.

    Response: Commissioners do recuse themselves from such cases. This information will be added to the DHCA Website.

31. **Recommendation:** A standard lease should be required and written in plain language. Addenda may be added, as needed. If addenda are included, then tenants have two business days after signing to back out of the lease. That information should be included in the standard lease.

    Response: In general, the County Executive supports this recommendation and approval by the County of all addenda to leases. However, the County Executive does not support a blanket two day right of rescission.

32. **Recommendation:** The standard lease should include a preamble with major tenant and landlord rights and obligations clearly described.

    Response: The County Executive supports this recommendation. DHCA staff will incorporate such a preamble in the model lease.

33. **Recommendation:** Any supplemental fees should be clearly enumerated in the lease.

    Response: No need for any action. In order for fees to be legally enforceable, they must be enumerated in the lease.

34. **Recommendation:** Tenants should have 30 days after signing a lease to change from a one-year to a two-year lease.

    Response: The County Executive does not support this recommendation. Current law requires a landlord to offer a two-year lease option when signing the lease.

35. **Recommendation:** A two-year lease should be offered at every lease renewal.

    Response: The County Executive supports this recommendation.

36. **Recommendation:** The availability of DHCA's "Wear and Tear" Handbook should be referenced in the lease.

    Response: DHCA staff will incorporate such a reference in the model lease.

37. **Recommendation:** The Landlord-Tenant Handbook should be given out to each new tenant. A modest increase to the licensing fee could be used to fund printing costs.

    Response: The Handbook is readily available on-line. Landlords will be encouraged to make copies available for tenants and/or provide information as to availability.

38. **Recommendation:** The Handbook should clarify appropriate uses of fees by landlords.

    Response: The County Executive supports this recommendation. DHCA will make appropriate changes to the handbook to further clarify the nature of fees that are permissible under both state and county landlord-tenant laws.

39. **Recommendation:** Copies of the model lease and other documents should be made available in the most commonly spoken languages in the County on the DHCA website and for distribution throughout the County.

    Response: The model lease and other landlord-tenant information are available in English and Spanish.

40. **Recommendation:** The license that is displayed should include a working telephone contact number. That number should also be included in the lease. The Landlord-Tenant Handbook and website should provide guidance on how to identify the property owner/responsible party.

    Response: The County Executive supports this recommendation. DHCA staff will take appropriate action to require the recommended license information and to add a section to the handbook regarding how to identify the owner of the rental property.

41. **Recommendation:** The Landlord-Tenant Handbook and DHCA's website should clarify procedures regarding repairs.

    Response: DHCA staff will review language and make clarifications where necessary.

42. **Recommendation:** The Landlord-Tenant webpage should be referenced on the Office of Consumer Protection website.

    Response: The Landlord-Tenant webpage is now referenced on the Office of Consumer Protection website.

43. **Recommendation:** The Landlord-Tenant Handbook should include public and private resources for renters.

    Response: The Handbook currently includes resources for renters. This information will be reviewed to determine if additional resources should be included in the revised Handbook.

44. **Recommendation:** The Landlord-Tenant Handbook and other resources lists should be translated and made available in the most commonly spoken languages in the County.

    Response: The Handbook and other landlord-tenant resources are currently available in English and Spanish. Additional translation capabilities are available in the County for those requiring assistance in other languages.

45. **Recommendation:** MC311 Service-Information for tenants and landlords should be integrated into the County's planned central MC311 system.

    Response: Such integration has been accomplished.

46. **Recommendation:** Copies of the Landlord-Tenant Handbook should be made available through the County libraries, housing agencies, Health and Human Services offices, and other County agencies that have significant public contact.

    Response: Copies of the new edition of the Handbook will be available to these agencies.

47. **Recommendation:** Information on County websites should be reviewed to be more user-friendly. For example, the "Rent Increases-Tips for Tenants" on DHCA's website should outline options available and refer tenants to the (revised) Annual Rental Facility report to identify comparable units.

    Response: DHCA website will be reviewed by staff and appropriate changes will be made.

48. **Recommendation:** Outreach-County housing agencies should engage in sustained outreach efforts, in collaboration with community-based organizations to educate tenants about their rights and applicable County laws.

    The Office of Landlord-Tenant Affairs should work with each County Regional Services Center to conduct at least one scheduled and publicized renters' meeting per year.

    Staff from housing agencies and community-based group should collaborate on programming such as "housing information fairs" or booths at various existing community events, to ensure that residents have access to critical housing information and resources.

    Efforts may include creating informational public access television programming, through free or low-cost resources such as Access Montgomery, regular programs or dedicated space for housing information at the County libraries, radio programs, and pod casts. Any programming could also be uploaded onto various County websites.

    County agencies and community-based groups should collaborate on programming such as "housing information fairs" or booths at various existing community events, to ensure that residents have access to critical housing information and resources.

Specific outreach and education and education should target the frontline staff at nonprofit and government agencies with high levels of public contact who might not be familiar with housing programs and rights.

Response: DHCA staff is currently engaged is such outreach efforts. Based upon availability of staff resources, additional outreach will be undertaken.

49. **Recommendation:** Montgomery County should vigorously promote equal access for tenants who are blind, deaf, or have limited language or technology access.

The County should convene a housing language access task force comprised of relevant stakeholders (i.e. managers from agencies serving renters and landlords, nonprofit staff and County residents) to:

- Identify concerns;
- Collaborate on innovative initiatives to ensure equal access, and
- Create short and long-term goals for the County in language access.
- Data should be collected regarding the languages spoken by callers and visitors as well as interpretation and translation requests; and,
- County housing agencies should include a standard line item for translation and interpretation in all budget requests from federal funding sources (including Community Development Block Grants and other HUD funding streams.

Response: The County Executive supports and aggressively promotes equal access by all to County resources. The Executive is comfortable that current Executive Branch efforts in this regard are adequate.

50. **Recommendation:** The County should provide leadership in forming a Tenant Advocacy (TA) structure funded by a landlord-tenant fee.

The Tenant Advocacy structure should exist independently from County government.

The mission of the TA organization should include:

- Work and coordinate with government agencies to ensure that tenants have access to relevant information about their rights, and to support renters trying to understand their rights and responsibilities;
- Provide a strong advocacy voice for renters;
- Promote constructive dialogue between landlords and tenants;
- Support and facilitate the development of tenant organizations in rental housing; and,
- Support sustained outreach to renters throughout the County

Response: Since the issuance of the TWG report, the Montgomery County Renters' Alliance has been formed and is receiving funding from a community grant.

In addition, as evident from some jurisdictions in the area and around the nation, there are various roles that existing government agencies can play to ensure that tenants have access to information and can exercise their rights within the County:

- Dedicated County staff members who can facilitate information-sharing with community-based agencies and other stakeholders would create a critical complement to any non-governmental tenant advocacy structure that is created.

Response: Currently, DHCA staff are successfully engaged in this activity.

- Landlord-Tenant Resource Center – the TWG recommends the creation of some kind of a landlord-tenant resource center in Montgomery County District Court. This could be a useful role for the County to coordinate with private bar associations. A similar resource was created for the D.C. housing court to provide free advice and information to tenants and landlords who do not have lawyers.

Response: The County Executive supports this recommendation. Since the issuance of the TWG report, the District Court has instituted free legal services for civil cases and there is an attorney on duty at a call center daily to answer questions regarding civil cases at the District Court.

- The Office of Landlord/Tenant Affairs – the TWG Recommends that the Office of Landlord/Tenant Affairs is restructured (and possibly renamed), and that its role is very clearly defined, perhaps in a way similar to the Office of the Tenant Advocate in D.C. The changes in this office should not affect the ability of tenants to access any other remedies or assistance. In addition, this new version of OLTA could expand existing DHCA grants to community-based organizations that provide legal services and housing counseling to tenants and special populations, such as seniors, the disabled, domestic violence survivors, and immigrants.

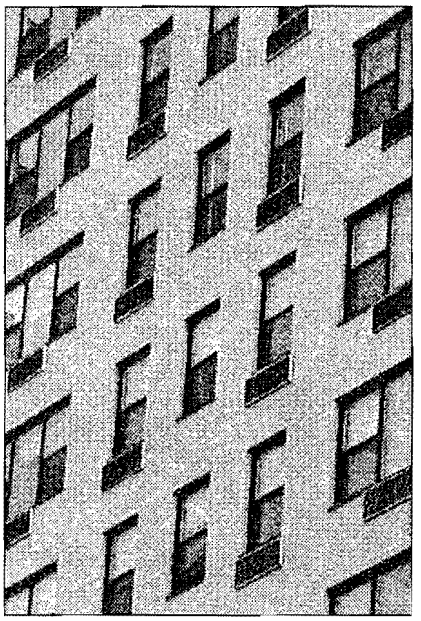
Response: A major role and function of OLTA is to conciliate disputes between tenants and landlords. This function requires fair and impartial approach to each case which would be undermined by defining the office as Tenant Advocate. This notwithstanding, the office is trying to insure that it is viewed as a valuable resource for tenants and can be very helpful to them.

- The County should support the convening of existing non-profit and informal groups that currently work on tenant advocacy issues in the county to promote tenant coordination and collaboration. This group can also research best practices regarding improving relationships between landlords and tenants.

Response: The County Executive supports this recommendation. While DHCA staff are currently engaged in such efforts, additional efforts can have a positive impact.

Montgomery County

Tenants Work Group Report



March 2010

A Letter from the Chair

For thousands of people who live in Montgomery County, the need or choice to rent their homes is an important part of their quality of life.

Renting a home is often the only affordable option for young people newly on their own. For many people, renting a home provides flexibility and freedom from the issues associated with ownership. And for many older people, downsizing into a more carefree rental home is part of their retirement dream.

Whatever their reason, many Montgomery County residents are renters. In recent years, renters have identified a growing number of concerns that negatively impact their quality of life. Articulating these concerns to the County government and landlords has been difficult because, outside a limited role by County government, there is no formal, independent tenant advocacy entity to study, analyze problems, communicate effectively with landlords, or advocate for improvements.

In the summer of 2008, a committed and diverse group of Montgomery County renters, community organizations and officials came together to meet with County Executive Isiah Leggett to explore providing renters with an official forum to discuss and study issues unique to renters and to make specific recommendations to promote fair, affordable, and safe rental homes.

In October of 2008, Mr. Leggett appointed a group of diverse individuals and interests to address these issues on behalf of renters in the first-ever County Tenants Work Group (TWG).

TWG membership included several activists among renters in the community, including Maureen Ross, Felicia Eberling, Harrietta Kelly and myself. Alice Wilkerson, representing the office of State Senator Jamie Raskin, and Councilmember Marc Elrich designated to represent the County Council also participated. To ensure broad outreach to the County's largest ethnic communities, Mr. Leggett appointed Kim Propeak, Esq. and Guy Johnson, Esq., to represent CASA of Maryland, and Parag Kandhar, Esq., to represent the Asian and Pacific American Legal Resources Fund. Further, Mr. Leggett invited Dawn Wunderling, a property manager, and Lesa Hoover, Esq., from the Apartment and Office Building Association (AOBA), the major property owners' trade association, to join the group with their perspectives.

The County Executive was represented on the group by Special Assistant to the County Executive Chuck Short and Rick Nelson, Director of the Department of Housing and Community Affairs. The Tenant Work Group received expert staff support from Megan Moriarty and Ira Kowler from Impact Silver Spring and Patrice Cheatham and Valerie Johnson from the County government, along with Dale Tibbits and Debbie Spielberg from the Office of Councilmember Elrich.

While it is important to note that the Tenants Work Group was comprised of many different perspectives, it was substantially constituted to represent the interests of renters.

After a series of discussions to determine how best to approach the work ahead, the TWG tasked itself with the following mission:

- Accurately identify and quantify common and substantive problems confronting renters;
- Research best practices and successful tenant advocacy models in the region and the US
- Catalogue resources already available to renters across the nation;
- Review existing local and state codes with the intent of enhancing their effectiveness for protecting renters;
- Seek public input from a broad range of renters and other interested parties; and
- Identify potential solutions to challenges and problems.

To effectively carry out its mission, the TWG created four committees:

- Committee One was tasked with addressing tenant security and affordability;

- Committee Two examined issues surrounding code updates and enforcement;
- Committee Three explored landlord-tenant communication mechanisms and ongoing tenant advocacy in the County; and
- Committee Four looked at issues related to seniors and populations with special needs.

To better understand the concerns of renters, the TWG commissioned a formal renter survey conducted by Institute for Public Affairs and Civic Engagement (PACE) at Salisbury University under the oversight of Harry Basehart, Professor Emeritus of Political Science and senior adviser at PACE. The survey and its results are contained in this report.

Throughout the past year, the TWG has delved deeply into some of the core problems Montgomery County renters face. Bimonthly meetings were held at the County Executive's Office and they yielded extensive debates over the solutions found within this report. We heard from experts including Assistant County Attorney Nowelle Ghahhari, Esq., Division Chief of Housing and Code Enforcement Joe Giloley, Code Enforcement Manager Dan McHugh and Matthew Moore, Esq., a landlord attorney and chair of the County's Landlord/Tenant Commission.

In addition, the TWG reached out to County residents in a series of four public meetings held in Silver Spring (Briggs Chaney and Long Branch), Gaithersburg, and Rockville. Additional meetings were held at the Willow Manor at Colesville and Leafy House Senior Center in Silver Spring. A website was established to report meeting progress and receive input from interested residents.

As a result of this research, the TWG identified several significant challenges confronting renters in Montgomery County. They include:

- Concern over high rent increases;
- A feeling of insecurity - not knowing if their rental agreements are permanent or affordable;
- Fear of retaliation among some tenants for raising concerns or organizing other tenants; and
- Confusion over where to seek help and how to proceed with complaints and building issues.

The report makes clear the need for County tenants to be able to raise problems and complaints with their building owners and/or managers without fear of retaliation. It underscores the importance of assuring the renter population full participation in the community life of the county by identifying obstacles and urging remedies for fair and stable rental property business practices.

Finally, while this report identifies several substantial problems immediately facing renters, neither the report nor the work of the TWG is inclusive of all of renter/landlord issues at hand. Much work remains to be done.

The TWG offers herein a range of recommendations which we believe will improve current problems and inequities renters are facing and assure that the lifestyle of renting a home will continue to be an attractive and livable option. The recommendations that follow are the conclusions reached by the group. It should be noted that the County government representatives and property owner representatives abstained on voting either for or against the recommendations, while providing valuable contributions and perspectives to the process that led to them.

I extend thanks to County Executive Isiah Leggett on behalf of the work group for the opportunity to present this important work and for appointing this first-ever County Tenant Work Group. I am personally grateful to him, my colleagues on the TWG, the staff, and many others who have helped produce this report.

Matt Losak
Chair
Tenant Work Group

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Executive Summary

While owning a home has long been seen as an integral part of "The American Dream," the reality for thousands of Montgomery County residents is that renting a home is the most viable – and, in many cases, preferred – option for housing. This is particularly true for young people living on their own, for individuals and/or families who may be new to the area or may not have the finances required to purchase a home, and for senior citizens who have made the transition to rental living, among others who choose to rent.

The Montgomery County Tenants Work Group (TWG), appointed and first convened in 2008 by County Executive Isiah Leggett, recently completed a thorough review and analysis of the primary issues impacting renters in the community. In conducting its work, the group divided into four subcommittees and focused specifically on issues related to:

1. Affordability and security;
2. Code updates, enforcement and complaints;
3. Landlord-tenant communication and tenant advocacy;
4. Particular needs of senior citizens and special needs populations.

Among the group's key findings and recommendations in each of these areas:

Issue I: Affordability and Security

1. Tenants, especially seniors and those with fixed or modest incomes, report that rents are increasing faster than the cost of living and outpacing their incomes. Rent increases are only tracked through an Annual Rental Facility Report produced by the County's Department of Housing and Community Affairs, and this is based on results of a voluntary rent survey.

Recommendations:

- *Make the survey process mandatory and publish results into a verified and valid annual report, with detailed information that is easily accessible via the Internet and can be sorted in various ways.*

2. Montgomery County issues an annual Voluntary Rent Guideline, but as its title suggests, this endeavor is not mandatory. Owners may raise the rent each year by any amount, although they may only impose an increase once per year.

Recommendations:

- *Standardize County responses, with regard to the handling of all calls or communications regarding rent increases; and improve the requirement process that landlords must follow, with regard to rent increase notification.*

3. Tenants face annual rent increases that sometimes significantly exceed the voluntary rent guidelines.

Recommendations:

- *To maintain reasonable and predictable rent increases, the TWG recommends enactment of a rent stabilization law for Montgomery County, which would provide a fair rate of return for property owners and reasonable rent adjustments for tenants.*

4. Many tenants in Montgomery County express frustration about being forced at theend of their lease term to choose between either committing to a new year-long lease or having to pay higher monthly rent in exchange for going month-to-month on their rentals.

Recommendations:

- *Pass legislation to limit or ban rent surcharges for month-to-month tenants. To increase predictability for landlords regarding unit occupancy, month-to-month tenants under this law should be required to give at least two months' notice before vacating a unit and be fully liable for rent obligations during this period.*

5. Some tenants express concern that their landlords may choose to end the tenancy at the end of the lease term, without having to specify any rationale for the eviction.

Recommendations:

- *Pass a "just-cause" eviction law in Montgomery County, which would only allow for evictions for reasons that would be specified under the law, such as delinquent payment; criminal activity involving the tenant, on the property; substantial damage to the rental unit; or a move by the owner to permanently remove the unit from the rental market so they or a family member might occupy it.*

6. Some tenants indicated they were concerned that if they were to participate in or form tenants' associations and/or raise code enforcement or other issues regarding their rental units, they could be subject to reprisal, including eviction.

Recommendations:

- *To protect tenants' ability to lodge housing code complaints and to organize tenants' associations free from retaliation by landlords, the TWG urges the passage of retaliatory eviction legislation by Montgomery County.*

7. Once ownership transfers to a new party as the result of a foreclosure sale, the new owner is under no obligation to continue honoring existing rental leases for the property. Should the new owner choose to create a new lease with existing tenants on the property, the new owner is also under no obligation to grant tenants the same conditions as in the previous lease.

Recommendations:

- *Recently passed federal legislation (Helping Families Save Their Homes Act) adequately protects tenants living in foreclosed properties, but legislation should be enacted at the local level to ensure that these protections extend beyond the end of 2012, when the federal statute is set to expire).*

8. Tenants are displaced when rental buildings are converted to condominiums.

Recommendations:

- *The TWG recommends that a majority of tenants would need to vote to approve a condo conversion; that tenants should be provided with sufficient notice and detailed information about the conversion process; and that relocation assistance should be made available to a wider pool of tenants.*

9. According to the list of complaints filed with the Landlord-Tenant Commission, the highest number of complaints filed concern security deposits.

Recommendations:

- *Lease language should be clear about the use of the security deposit and the interest paid, and the law should be modified so that a tenant has a less cumbersome process for requesting to be present at the move-out inspection.*

Issue II: Code Updates, Enforcement and Compliance

1. Some apartment complexes have ongoing maintenance problems. Code inspectors inspect multifamily facilities every three years.

Recommendations:

- *Among a series of recommendations, the TWG concluded that buildings with ongoing maintenance problems should be moved to an annual inspection cycle and that owners of buildings with repeat violations should pay for the increased inspection schedule.*

2. Complaints seldom rise to the level of individuals filing a complaint and completing the process, resulting in a two-track process for complaints: informal and formal.

Recommendations:

- *Several recommendations have been offered to clarify and streamline the complaint-filing process, including a call for all information sources to clearly explain that landlords and tenants would not be required to file a formal complaint in order to access help for resolving an issue.*

3. State and County law require information that must be included in a lease. While Montgomery County has a model lease available, it is not required to be used by landlords and, often, not easily understood by the general public.

Recommendations:

- *Among a series of recommendations, the TWG calls for provision of a standard lease format and a Landlord-Tenant Handbook to be provided to all tenants.*

4. Some tenants have reported difficulty identifying someone who will assume responsibility to resolve their concerns. Other tenants have reported difficulty getting past the agent to reach the owner.

Recommendations:

- *Rental licenses should be clearly displayed with valid contact information and information should be provided in the Landlord-Tenant Handbook and on the County web site to clarify procedures regarding repairs.*

Issue III: Communication and Information

1. Montgomery County has a number of resources available for tenants, from both government and non-government organizations, but the information is often hard to find and there is no central source for accessing the information.

Recommendations:

- *The TWG makes several recommendations for better use, dissemination and translation of the Landlord-Tenant Handbook; and for better communication through use of the County's new, 311 information system. Also, for greater outreach via media outlets and community organizations.*

2. Renters in Montgomery County are culturally diverse. Although Montgomery County has some government programs of interest and applicability to tenants, communication about these programs to the diverse public is inconsistent.

Recommendations:

- *Montgomery County should vigorously promote equal access for tenants who are blind, deaf, or have limited language or technology access; and should convene a housing language access task force to address concerns and gaps with regard to reaching various populations.*

Issue IV: Tenant Advocacy

1. Although there are some groups that include some measure of tenants' rights and advocacy regarding tenant/landlord issues in the county, there is no existing county-wide advocacy or coordination structure.

Recommendations:

- *The County should provide leadership in forming a Tenant Advocacy (TA) structure funded by a landlord-tenant fee and it should exist independently from County government.*

TWG Report
Issues, Findings, and Recommendations

Issue I : Affordability and Security of Rental Housing

The most common feedback the TWG received from tenants regarded deep dissatisfaction with annual rent increases, which, according to their input, tend to be both unpredictable and too high.

a. Rent increases: How are they tracked?

Findings

Many tenants report that their rents are increasing faster than the cost of living or their own incomes.

The only information officially available to track rent increases in Montgomery County is the Annual Rental Facility Report, produced by the County's Department of Housing and Community Affairs (DHCA). This report is a summary of results from an annual survey sent to the management of all multifamily rental facilities with 12 or more units. Responses are voluntary. DHCA reports that 94 percent of landlords responded to the survey in 2009, representing 93 percent of the units in multifamily rental properties in the county.

The objective of the report and underlying data is to provide useful, factual information regarding the status of rent increases in the county. Close examination by the TWG reveals the following significant flaws in the survey and its data:

1) Reporting is a voluntary summary by landlords;
2) The accuracy of the data provided by the landlord is not independently verified; and
3) The data is overly aggregated and not available in useful alternative formats, such as by zip code.

To further explain the problem of the presentation of the data, the information as reported encompasses too large an area, such as "Germantown-Gaithersburg" or "Silver Spring-Takoma Park." In the case of the latter grouping, the information is particularly inaccurate because rents within the city limits of Takoma Park are stabilized by city law. These stabilized rents are mixed in with rents in downtown Silver Spring, where rents in some buildings have increased dramatically.

Furthermore, rent increases are not reported with both size of unit and area; the percentage rent increase is reported either by area (such as Bethesda-Chevy Chase, or Rockville) or by size of unit, as averaged across the entire county. For example, one cannot find the average rent increase for a 1-BR in Germantown-Gaithersburg; one can only find the average rent increase in Germantown-Gaithersburg OR the average rent increase for a 1-BR across the entire County.

In addition, the report includes insufficient information on potential sources of increases. For example, it is difficult to assess whether apartments that include utilities within their rent are experiencing higher increases, which might be linked to higher utility costs.

The Annual Rental Facility Report is important because it is considered an official document, and its contents are assumed to be accurate. It is used as an information source for public entities and other organizations. Staff from Montgomery County's Park and Planning office use the vacancy data from the report in preparing information for master plan reviews, which are the basis for major development decisions in the county. In fact, the report, while useful in its intention, may distort the facts regarding the state of rental housing and tenants in Montgomery County.

Recommendations:

1. The voluntary rent survey that forms the basis of the Annual Rental Facility Report should be replaced with a mandatory, verifiable and valid annual report;[1]
2. The revised Annual Rental Facility Report should be easily accessible on the Internet; and
3. The revised Annual Rental Facility Report should provide information by zip code, with online access to sort by various criteria. The report should also identify regions of the county, such as the Silver Spring Central Business District (CBD), Long Branch, and the city of Rockville. The rent comparisons should also be grouped by unit size within each location.

b. Addressing rent increases

Findings

Montgomery County issues an annual Voluntary Rent Guideline but, as its title suggests, it is only a voluntary guideline. Owners may raise the rent as much as they choose.[2] Rental increases are limited to once per year.

When landlords increase the rent, they must give the tenant a notice that lists the percentage increase of the rent, the Voluntary Rent Guideline amount, and "a notice that the tenant may ask the Department to review any rent increase that the tenant considers excessive."[3] The notice must be delivered at least 60 days prior to the increase.

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[1] The most direct way to collect this information would be to require landlords to submit electronically the percentage rent increases by individual unit. As explained in section b, this information is already required to be provided to each tenant with the notice of a rent increase. This reported information would be accurate and could easily be sorted in different ways. The raw data should not be available publicly, but it would provide the basis for a reliable annual rental facility report. Some on the work group expressed concern that this option would be overly cumbersome for landlords; however, individuals with sufficient computer expertise have assured the work group that electronic filing could be designed to be straightforward and easy to use.

[2] Montgomery County briefly had mandatory rent guidelines in the late 1970s. Once they were removed in 1981, the voluntary rent guidelines were used.

[3] This is the actual language from the County Code, MC Code Section 29-54(a)(4)

Tenants who find the rent increase to be excessive may:

1) Contact their landlord directly and attempt to negotiate a reduction in the increase;
2) Contact the Office of Landlord-Tenant Affairs (OLTA) and file a complaint of an excessive increase – however, the agency has no power to mandate an adjustment to the increase; and/or
3) May move to another apartment with more affordable rents – however, they have no assurance that they will not face high rent increases after their lease expires.

None of these actions assures tenants reasonable rent increases.

Contacting the DHCA's Office of Landlord Tenant Affairs:

The response to a tenant who chooses to contact the Office of Landlord-Tenant Affairs (OLTA) with regard to a rent increase may vary.

1) OLTA staff may explain that the tenant may file a complaint but also explain that there is no violation of the law, and therefore, the complaint will be referred to the Commission on Landlord-Tenant Affairs and rejected.
2) Some OLTA staff may offer advice on negotiating with a landlord to try to reduce the increase. OLTA staff may try to help negotiate with the landlord if they deem the rent to be excessive.
3) If a tenant decides to file a formal complaint, OLTA will contact the landlord and may encourage them to reduce the increase if they agree that it is excessive.

Record keeping at OLTA:

Records are not uniformly kept of calls to OLTA regarding 1) rent increases that do not result in a formal complaint filing; and 2) whether OLTA staff intervention helps reduce the rent and, if reduced, by how much.

These types of records could provide additional information beyond the Annual Rental Facility Report about tenants and rent increases. According to DHCA, procedures are being modified to establish a record of interactions regarding rent increases, both from informal contact and formal complaint filing.

Tenants report that, even with the required two months notice of a rent increase, they have insufficient time to negotiate with management and/or find an affordable alternative. Tenants who wish to move but can't do so within the two months may face even higher rents if they choose a "month-to-month" rental agreement. (For findings and recommendations about "month-to-month" rental agreements, see Issue I, section d of this report.)

Also, not all landlords correctly convey the information as required that tenants have the option of contacting the Office of Landlord-Tenant Affairs to review their rent increase. For example, one rent increase notice reviewed by the committee (from a company managing a large rental property) repeated the notice provision *verbatim* from the code. The notice provided by the landlord read as follows: "In accordance with Section 29-54(a)(4) of the Montgomery County Code, you may ask the Department to review any rent increase that you consider excessive." The notice never identified the "Department."

Determining the voluntary rent guideline:

The County's Voluntary Rent Guideline is the increase in the rental component of the Consumer Price Index (CPI) for the previous year for the Washington metropolitan area. The guideline for 2009, issued February 1, 2009, is 4.4 percent, which does not reflect the current economic downturn.

Using only the rental component of the area CPI risks creating a self-perpetuating cycle. Under this method, the guideline is determined based on increased costs for previous rentals, to determine appropriate future rental costs. An improved guideline should take into account more of the factors that measure cost-of-living increases.

Other jurisdictions use a variety of measures to determine voluntary or mandated rent increases that may provide a better reflection of current economic conditions.

For example:

a.) **San Francisco's** rent increase for March 1, 2009, through February 28, 2010, is 2.2 percent; that number is 60 percent of the CPI for all consumers in the San Francisco Bay area.

b.) **Berkeley's** "Annual General Adjustment" for 2009, was 2.7 percent, which is 65 percent of the CPI for all Urban Consumers in the Bay Area in fiscal year 2007.

c.) **Takoma Park's** increase, effective July 1, 2009, is 0.4 percent, which is 100 percent of the change in CPI for all consumers in the Washington, D.C.-Baltimore area from March 2008-March 2009.

d.) In **Montreal, Canada,** the general adjustment allowed is based on the type of heat used (electricity, gas, oil, or non-heated) plus changes in municipal and school taxes, major improvements, and overall operating expense.

Recommendations:

1. All County responses to calls regarding rent increases should be standardized. All calls received on this subject should be recorded.
2. Rent increase notices should state clearly who tenants may contact (with phone, address, website, and e-mail information) if they deem the rent increase to be excessive.
3. The formula for calculating the rent guidelines should be reviewed and potentially revised to provide a better standard for determining fair rental adjustments.
4. The required 60-day notice that landlords must give tenants regarding rent increases should be extended to 90 days.

c. Achieving fair rent increases

The one topic that TWG has heard from tenants most often – in forums, online, individually, and via written reports – is their ongoing concern and powerlessness over the unpredictability and magnitude of rent increases. As described above, tenants have no effective recourse to challenge increases, even "excessive" increases.

Findings

Tenants face annual rent increases that are sometimes significantly in excess of the voluntary rent guidelines. According to the current Renter Satisfaction Survey, 70 percent of renters surveyed said their rents were increased by at least four percent, while nearly 20 percent said their rents had increased more than eight percent (see Appendix A for full survey results).

Tenants report that the voluntary guidelines have little bearing on the actual annual rent increases they are experiencing. Increases appear to vary widely among apartment complexes on an annual basis, and even within individual complexes from year to year. Many tenants report that annual rent increases do not appear to be related to improved living conditions, code compliance efforts, or building costs.

Tenants who move for reasons of greater affordability report that they cannot anticipate remaining in a rental unit or complex for more than one or two years, due to the unpredictable nature of rent increases. More than 43 percent of renters in the Renter Satisfaction Survey reported that they are not confident that they will be able to afford to live in Montgomery County in the future.

Excessive rent increases especially imperil seniors[4], the disabled, and individuals on fixed monthly incomes, as well as middle-income workers as these tenants' incomes often do not rise at the same rate as housing costs.[5]

Some jurisdictions have implemented rent stabilization to maintain reasonable and predictable rent increases for tenants. Jurisdictions with rent stabilization laws include: Washington, D.C.; municipalities within New York State, including New York City; municipalities in California, including Berkeley, San Francisco, and Santa Monica; municipalities in New Jersey; and Takoma Park, Maryland.

Recommendations

To maintain reasonable and predictable rent increases, a rent stabilization law for Montgomery County should be enacted. This law should include provisions to provide a fair rate of return for property owners and reasonable rent adjustments for tenants. In addition, it should also include the following:

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[4] For more discussion focusing on seniors as tenants, see Issue 1, section e.

[5] Montgomery County's 2008 Self Sufficiency Standard is an indicator of the lowest acceptable amount of income to live in the county; it is used to show that federal poverty income guidelines do not reflect the high cost of food, housing and other basic costs. According to the report, a single adult at these guidelines (an annual income of $32,803) would spend almost of half of his/her income on housing costs. An adult with one pre-school age child would need to earn $56,570 to meet basic needs in the County; to be self-sufficient at that level, housing would be about $1,496 per month.

1. A preamble describing why the law is being enacted and describing the conditions that make the rent stabilization necessary;
2. Specific language that identifies which types of units are covered; the legislation should be as comprehensive as possible. Mandatory registration for all rental units covered by rent stabilization;
3. Identification of the agency to be charged with the administration and enforcement of rent stabilization measures, such as a Rent Board or Office of Rent Administration;
4. The amount of permissible annual rent increases;
5. Allowance for renters to contribute reasonable additional payments beyond the cost of rent to cover the cost of unit improvement. These contributions should be time-limited, limited in quantity, and should not be added to the base rent;
6. Non-waiverable clauses so that tenants and landlords cannot "opt out" of the legislation;
7. Strong enforcement provisions; and
8. No vacancy decontrol.

d. Increased Costs for Month-to-Month Tenancies

Tenants in Montgomery County have repeatedly expressed their frustration at being forced at the end of their lease term to choose between either committing to a new year-long lease or having to pay higher monthly rent in exchange for going month-to-month on their rentals. A month-to-month tenancy occurs after the initial lease expires and the agreement is automatically renewed on a monthly basis.

Findings

Landlords have a business interest in keeping their units rented and so benefit financially from predictability in tenant turnover. Tenants in the general workforce are expected to be reasonably mobile in their pursuit of work and in the course of their employment. Accordingly, tenants may be served particularly well by the flexibility and lack of long-term commitment that are inherent in a month-to-month tenancy, as opposed to a longer-term lease. Tenants have indicated that month-to-month rents can be upwards of $300 more expensive per month than rents under a fixed lease. This makes the greater flexibility of a month-to-month rental practically unavailable for a large number of renters, including many who are either unwilling or unable to complete a full lease term.

Recommendation:

Montgomery County should pass legislation limiting or banning rent surcharges for month-to-month tenants. To increase predictability for landlords regarding unit occupancy, month-to-month tenants under this law should be required to give at least two months' notice before vacating a unit and be fully liable for rent obligations during this period.

e. Increased Cost of Rental Housing for Seniors

Many adults 62 years of age and over in Montgomery County have expressed frustration and fear over the rising cost of rental housing. Seniors are among Montgomery County's most vulnerable renters. "The availability of economic resources (income and assets) is a critical factor for seniors influencing their ability to acquire goods and services that assist them in remaining healthy and independent in the community. Census data indicates that while many seniors are financially stable, there is significant variability in income which cuts across age, gender, disability status, race, and ethnicity. While many seniors are no longer paying mortgages, their incomes are fixed and they often do not possess sufficient reserves, in the event of emergencies."[6]

The Census Bureau uses 35 percent of total income devoted to housing as the threshold. Expenditures of a larger fraction of total income on housing would likely leave individuals vulnerable to insufficient funds for food, medical care, transportation and other critical needs.

Findings

Many seniors are spending upwards of 50 percent of their income for housing. The Census Bureau reported that renters over 75 years old and older were paying 50.9 percent of their income in the year 2000.[7] This figure is steadily climbing as rents in senior buildings go up each year and incomes do not increase at the same level. Most seniors who rent in Montgomery County depend on Social Security to augment their income. Social Security announced in 2009 that at least for 2010, Social Security will not give an increase to retirees.

Data indicates that seniors are moving out of rental housing in the County. Renter advocates have been told that buildings designated for seniors over the age of 65 are showing a vacancy rate of from 10 to 15 percent while data from the Housing Opportunities Commission shows 7 percent. Seniors are leaving the county to live in lower-cost housing areas or to move in with family or friends. For many of these seniors, Montgomery County has been home for most of their adult lives. If they did not live in the county, they worked in the County. For many seniors, moving into senior living was thought to be permanent; moving was not an option until they could no longer afford the high cost of renting in the County.

f. No-fault Evictions

Some tenants are concerned that their landlords may choose to end the tenancy at the end of the lease term without having to specify any rationale for the eviction. Accordingly, tenants have no assurances that they will be able to continue living in their current dwelling into the future, regardless of their ability to pay rent and their adherence to lease requirements and the law.

[6] "Imagining an Aging Future for Montgomery County, Md," pg. 30, Final Report of Phase I Planning Project, submitted to Montgomery County May 2007, Center for Productive Aging, Towson University, Towson, Maryland.

[7] "Imagining an Aging Future..." p. 36

Findings

At the end of the lease term, landlords in Montgomery County can currently evict a tenant from an apartment for virtually any reason, provided adequate 60 days notice is given to the tenant, as required under law. Landlords are not currently required to specify why they are choosing to not renew a tenant's lease. Even tenants who have fulfilled all of their responsibilities under their lease may, nevertheless, face either the non-renewal of their lease or the termination of their lease.

Recommendation:

We recommend the passage of a just-cause eviction law in Montgomery County. Just-cause eviction laws, also known as "good-cause" eviction laws, balance the interests of landlord choice and tenant need for predictability by requiring landlords to articulate a specific reason for the termination of a tenancy. Absent a valid reason as enumerated in a local statute, the tenancy may continue. These reasons may include:

- Tenant is delinquent in rent payments;
- Tenant engages in criminal activity on the property;
- Tenant causes substantial damage to the unit; and/or
- Owner seeks to permanently remove the unit from the rental market and/or seeks to use the unit for the lodging or care of an immediate family member.

Just-cause eviction laws are currently enforced in the following jurisdictions, among others: Washington D.C., New York City, Los Angeles, Seattle, Chicago, San Francisco, and the states of New Jersey and New Hampshire.

g. Retaliatory Evictions

Some tenants are afraid that voicing their complaints regarding housing conditions to apartment complex management and to County officials and/or participating in tenants' associations, will result in retaliation, including rent increases and no-fault evictions.

The survey conducted for the Tenants Work Group indicated that 20 percent of tenants feared retaliation in communicating with their landlords and/or property managers about problems. Eighty percent, on the other hand, felt comfortable bringing issues to management's attention. While the 80 percent figure is heartening, no tenant should fear that raising problems with their owner and/or manager will result in retaliation.

Findings

Some tenants indicated they were concerned that if they were to participate in or form tenants' associations and/or raise code enforcement or other issues regarding their rental units, they could be subject to various kinds of reprisal, including eviction. "Retaliatory Eviction" refers to a landlord evicting a tenant because that tenant has complained about conditions in an apartment or apartment building, made complaints about housing code violations, complained about apartment management, or formed or joined a tenants association.

Under Maryland law, tenants claiming that they have been evicted in retaliation for asserting their rights as renters must prove that the landlord evicted them "solely" because the person exercised their rights as a tenant. In Montgomery County, landlords have to show only that they had other reasons for the eviction that were at least as important as their retaliatory motive. While this County statute represents a greater protection for tenants, in many cases, retaliatory evictions remain extremely difficult for tenants to prove.

A Real-Life Example of Retaliatory Eviction

George, a construction worker, had lived in the same apartment with his son and his wife for 16 years, sticking through difficult economic times, paying rent on time, and weathering various changes in property management. While the conditions in their apartment were never perfect, their home was both affordable and livable. When a new property manager started in 2007, however, things changed. Whereas previous managers had been attentive to property maintenance requests, the new manager was unresponsive. George and his fellow tenants complained about declining housing conditions, but to no avail. Leaks from old, rusted, broken pipes spread moisture and mold among apartments, the walls and ceilings of various units began to rot in chunks and fall away, and bedbug infestations spread. The arms of George's wife were bitten by bedbugs, and became spotted with dozens of red sores.

With requests for repair falling on deaf ears, George, his wife, and a few fellow tenants began to visit other apartments in the complex. George and his fellow tenants circulated and signed a letter forming a tenants' association and asking management to repair the most dangerous conditions.

Matters, however, quickly went from bad to worse. Soon after the formation of the tenant group, the property manager began to enter apartments unannounced. George, repeatedly threatened and verbally mistreated by the property manager, went to court to obtain a peace order. The tenants' association continued to request a meeting with the property manager and the apartment owner, but was continually rebuffed. George and another tenant association leader shortly thereafter received notices to vacate their apartments.

Since he and the other tenants felt this was unjust, they challenged the notices in court. Before the judge, George gave evidence of the conditions in his apartment and of the steps he had taken to communicate these deficiencies to management in order to show he was effectively the victim of a retaliatory eviction. The attorney for the apartment owner said only that George was a month-to-month tenant, that the landlord wished to terminate George's tenancy, and that proper and timely notice had been given.

The judge noted that for all of his 16 years in the apartment, George's original lease had expired years earlier. The judge evicted George, stating that while he had lived in the complex for many years, he was still only a month-to-month tenant. The judge noted that George had no legal protection against a landlord who had provided proper and timely notice and had at no time specifically, explicitly stated that he was ending the tenancy in direct retaliation for George's forming a tenants' association and complaining about housing code violations.

The vast majority of tenants in the tenants' association, like George, had lived in their apartments for several years. The landlord had a policy of not renewing leases because it was easier to remove month-to-month tenants than tenants under lease. Today, George and the tenants' association are gone; the property manager, apartment owner, and code violations remain.

Recommendation:

To protect tenants' ability to lodge housing code complaints and to organize tenants' associations free from retaliation by landlords, the TWG urges the passage of retaliatory eviction legislation by Montgomery County. This type of legislation would contain the following elements:

- A list of protected tenant activities, including: making a good faith complaint to a governmental authority regarding code violations or illegal landlord activity steps taken by a tenant to assert rights as a tenant under law and/or under lease and participating in and/or organizing a tenant' association;
- A list of prohibited "retaliatory" actions taken by landlords;
- A "rebuttable presumption" establishing that if a prohibited action is taken by a landlord within six months after a tenant engages in a protected activity, the burden is on the landlord to prove that the action was not taken with retaliatory motive;
- A list of specified penalties for a finding of retaliation by a landlord;
- Establishment of retaliatory eviction as an affirmative defense in an eviction proceeding;
- Establishment of retaliatory eviction as the basis for a civil suit, in which the aforementioned rebuttable presumption would not apply; and
- A requirement that landlords specifically state why a tenancy is not being renewed when the non-renewal comes after a month-to-month tenant has engaged in a protected activity.

h. Tenants in Foreclosed Properties

The group received reports of tenants unexpectedly losing their residence because the owner of their unit had been foreclosed against. In many cases, the new owners expedited the removal of current tenants—regardless of their tenancy history—in order to re-sell the unit. As the units remained on the market, they remained vacant. Many tenants do not currently understand that their leases effectively conclude with the foreclosure sale.

Findings

Once ownership transfers to a new party as the result of a foreclosure sale, the new owner is under no obligation to continue honoring existing rental leases for the property. Should the new owner choose to create a new lease with existing tenants on the property, the new owner is also under no obligation to grant tenants the same conditions as in the previous lease.

New owners not interested in continuing tenancies can go to court to effectuate the eviction of those tenants. Tenants are entitled to notification about the pending foreclosure of their property, notice about when the foreclosure sale is scheduled, notice about the scheduled eviction proceedings, and notice that an eviction has been granted. Tenants who are having a difficult time finding a new residence may ask the court for additional time in the unit, but the court retains full discretion regarding such extensions.

Many new owners also approach tenants with "buyout agreements" and/or "cash for keys" programs, under which the tenant is asked to accept money and willfully vacate the unit promptly so that court proceedings may be avoided. These agreements may include waivers of legal claims against the new or previous owner, including claims for the return of a security deposit, as well as for any recovery for utility shutoffs, maintenance disrepair and code violations.

Even if tenants are required to vacate the premises following a foreclosure sale, they may still have rights within the law against the original owner of the property. A tenant in these cases may file suit against the original owner for failure to provide the unit for the full lease term, is entitled to return of the security deposit on the unit, and may also ask the court for remuneration for expenses associated with searching for a new apartment. These may include moving costs, application fees, and any difference in price between the old unit and a new apartment of comparable quality.

Recommendation:

Recently passed federal legislation (Helping Families Save Their Homes Act) adequately protects tenants living in foreclosed properties, but legislation should be enacted at the local level to ensure that these protections extend beyond the end of 2012, when the federal statute is set to expire.

i. Subletting for Early Lease Termination

Tenants who need to terminate their tenancy before the end of the lease are concerned that management may not accept a suitable substitute tenant that they find to replace them.

Findings

There appears to be a good deal of miscommunication between landlords and tenants regarding what constitutes a desirable tenant. Tenants who prematurely terminate their tenancy under their lease may try to find an acceptable tenant to sublet the unit through the end of the lease. Despite those efforts, landlords are not, in most cases, under any requirement to accept the identified replacements. If the tenant's identified replacement is rejected by the landlord, then the tenant may be held liable for the rent through the remainder of the lease.

Recommendations:

The TWG recommends that County law standardize a reasonable process for subletting, including criteria for an adequate substitute tenant. These criteria should be included in the standard lease.

j. Condominium Conversions

Tenants are displaced when rental buildings are converted to condominiums.

Findings

State and County law outline steps that need to be taken when a property owner decides to convert a rental building to a condominium. Those steps include notification procedures, rights of first refusal, opportunities for extended leases, and payment for moving expenses.

Montgomery County (via DHCA) and the Housing Opportunities Commission (HOC) have the right of first refusal to purchase a rental housing property after the owner has entered into a bona fide contract of sale. DHCA and HOC each have 60 days to match the contract and an additional 120 days to purchase the building.

A tenant organization also has the right of first refusal, – and they must respond within 90 days. Tenants often find the process overwhelming and are ill-equipped to assess their choices. Tenants have reported that they have difficulty finding a source that can advise them on their choices and options.

Legislation proposing that 51 percent of tenants must approve a condo conversion has been introduced in the state legislature previously: House Bill 833 – Montgomery County – Condominium Conversions – Tenant Vote. (MC delegation, 2008) The bill recognized and declared a rental housing emergency and would require a vote by the tenants to approve or reject a proposal before allowing a conversion of rental housing to condominiums. Washington, D.C. law requires that 51 percent of eligible tenants must approve a conversion.[8]

[8] DC code – Title 42, subtitle VII, Chapter 34, Subchapter II, section 3.

Recommendations:

1. A majority of the tenants (51 percent) must vote to approve a condo conversion.
2. Tenants must be given clear information about the condo conversion process and law. The condo conversion handbook should be thoroughly reviewed for accuracy. The handbook should:
   - clearly outline options available to tenants;
   - include resources that can provide guidance for tenant organizations that choose to exercise the option to buy the building. Identified resource organizations need to be experienced and skilled in this area. A tenant advocacy organization (see Issue IV, section a for TWG recommendation) should be the resource clearinghouse for information.
   - include information about moving assistance (if any exists) and apartment-search help;
   - list resources to help with financial counseling if they want to consider purchasing a condo unit.
3. The condo conversion handbook should be required to be distributed to tenants at the same time that a Notice of Intent to Convert to Condominiums (NICC) is issued.
4. Relocation assistance should be available to a wider pool of tenants. The amount allocated for moving expenses should be increased and indexed for inflation.

k. Return of Security Deposits

When and how should a security deposit be returned?

Findings

According to the list of complaints filed with the Landlord-Tenant Commission, the highest number of complaints filed concern security deposits. Many of the complaints involve single-family residences. Two of the common issues are as follows:

- Tenants erroneously believe they can use the security deposit as the last month's rent;
- Landlords deduct some/all from the deposit for repairs that the tenant doesn't think he/she is liable for.

DHCA has developed a "wear and tear" booklet for landlords and tenants in an attempt to clarify some of the issues most often in dispute. Current law requires that the tenant notify the landlord by certified mail if he/she wants to be present at the inspection. [State Code -8-203.1] A landlord is required to inform the tenant of the inspection "in writing". It is reported that most large multi-family units do not require large security deposits unless credit worthiness of a particular tenant is an issue.

Recommendations:

1. Lease language should be clear about the use of the security deposit and the interest paid. The sample lease includes language regarding security deposits, but it is not easily understandable and should be clarified.
2. The law should be modified so that a tenant has a less cumbersome alternative to certified mail in order to request to be present at the move-out inspection.

Issue II: Code Enforcement and Complaints

a. Building Code Inspection Policies

Ensuring the maintenance of quality affordable rental housing.

Findings

Some apartment complexes have ongoing maintenance problems. Code inspectors inspect multifamily facilities every three years. The inspections range from 10 to 100 percent of the units, and all common areas are inspected. Code inspectors generally inspect buildings in response to requests, which can be made anonymously. However, many tenants are unaware of this option or are unwilling to request the additional inspections for fear that the landlord will know who requested the inspection and retaliate.

DHCA staff report that inspections are every three years, unless they receive a large number of complaints about the building or if the inspection staff feel that a more frequent inspection is required. Code violations and complaints can be reviewed on a public web site: eProperty Data Mining. If a tenant has reported a repair need to management and it has not been addressed, a tenant may contact DHCA. According to DHCA staff, if DHCA is involved, and the violation is not a life safety issue, then it should be resolved within 30 days.

Recommendations

1. Buildings should be inspected every year. Buildings that do not have a history of substantial violations should be inspected every three years. Buildings with repeated violations should continue to be inspected every year. Every three years, inspections of those buildings should include 100 percent of the units.
2. Owners of buildings with repeat violations should pay for the increased inspection schedule.
3. Tenants should be notified in advance of upcoming inspections so that they may submit requests anonymously for certain areas or units to be inspected. Landlords should not be told if there were anonymous requests for inspections.
4. Tenants should have the right to grant access to an inspector to enter a unit if the tenant will not be home. Tenants should be given reasonable accommodation to be present when the inspection will occur.
5. The Landlord-Tenant Handbook should be clearer about when and how code enforcement staff can be contacted. It should also make clear that the caller may remain anonymous.

6. Code enforcement staff should have the flexibility to conduct inspections on evenings or weekends without a specified emergency. Sometimes, some of the possible violations are more apparent evenings or weekends. An after-hours phone number should be available for emergencies.
7. DHCA should develop a new procedure to allow tenants to make repairs and deduct the cost from the next month's rent in the case that landlords do not make necessary repairs for a code violation after a specified amount of time.

b. OLTA Complaint Structure/311 Service

At times, tenants and the landlord/property manager may come to an impasse over how to resolve issues. Current County law provides tenants and landlords with the option of contacting the Department of Housing and Community Affairs' Office of Landlord Tenant Affairs (OLTA). Generally, a caller to OLTA is directed to file a complaint and then a procedure follows from the filing. Some tenants with complaints or concerns are fearful of a formal, legal process. They would like some assistance with their concerns without necessarily having to file a complaint.

Findings

According to OLTA, complaints seldom rise to the level of individuals filing a complaint and going through the entire process. Consequently, a two-track process has emerged: informal and formal.

Under the informal process, OLTA may provide information or make phone calls on behalf of the caller and resolve an issue before a complaint is ever filed. These situations are not documented. A formal process begins once a complaint is filed. This process may be resolved at various points. The entire process is explained in Appendix D.

Complaint resolutions according to OLTA:
1. Often an issue is resolved after a complaint is filed, but before the complaint goes through a formal hearing process. Ninety-seven percent of complaints are resolved at conciliation meetings, or even before they were to take place (for more information about this process, see Appendix D).

2. About 40 cases a year are referred to the Commission on Landlord/Tenant Affairs. (These are the ones that have gone all the way through the complaint process.) About half of those do not have a hearing. About half of the remaining are resolved before the hearing, which leaves about 10-12 decisions that are issued each year. Those decisions are available for review on the website.

The TWG heard from tenants who have expressed concern about filing a complaint with the Landlord-Tenant staff for fear of retaliation from or by their landlord.

The TWG heard from a Commission representative who explained that current ethics regulations require Commission members to recuse themselves from any matter where they may have a conflict of interest.

Recommendations

1. All information sources—including the website, the Landlord-Tenant Handbook, and phone conversations—need to clarify that landlords and tenants may not be required to file a formal complaint in order to get help with resolving an issue.

2. Within practicable limits, exceptions should be allowed to the standard practice of sending copies of complaints from tenants to the landlord. OLTA staff should offer this option to callers and the Landlord-Tenant handbook should explain this option, with the disclaimer that some issues may not be able to be addressed without identifying the tenant or unit number.

3. As part of the County's new 311 phone and online information and service request system, all complaints should be given an identification number, so that the caller can follow up and complaints can be tracked. (For another recommendation regarding the 311 system, see Issue III, Section C recommendations.)

4. Records should be kept of all calls, including those resolved before a formal complaint is filled.

5. The handbook should include an area for a communication log to track contact with management.

6. It should be explicitly stated on the website and other documents detailing the work of the Landlord-Tenant Commission that members of the Commission must recuse themselves from any case where they may have a conflict of interest.

Issue III: Communication and Information

a. Standard Leases

Leases are complex legal documents. The TWG explored ways to simplify and standardize these documents.

Findings

State and County law require information that must be included in a lease. Montgomery County has a model lease available, but it is not required to be used by landlords. This model lease is not easily understood by the general public.

Recommendations

1. A standard lease should be required and written in plain language. Addenda may be added, as needed. If addenda are included, then tenants have two business days after signing to back out of the lease. That information should be included in the standard lease.
2. The standard lease should include a preamble with major tenant and landlord rights and obligations clearly described.
3. Any supplemental fees should be clearly enumerated in the lease.
4. Tenants should have 30 days after signing a lease to change from a one-year to a two-year, or vice-versa.
5. A two-year lease should be offered at every lease renewal.
6. The availability of DHCA's "Wear and Tear" handbook should be referenced in the lease.
7. The Landlord-Tenant Handbook should be given out to each new tenant. A modest increase to the licensing fee could be used to fund printing costs.
8. The handbook should clarify appropriate uses of fees by landlords.
9. Translations of the model lease and other documents should be made available in the most commonly spoken languages in the county on the DHCA website and for distribution throughout the county.

b. Landlord-Tenant Obligations

Some tenants find that the on-site management is not sufficiently responsive to their concerns. Others find that the landlords (whether they are or on-site, local or distant) are not responsive.

Findings

Some tenants have reported difficulty identifying someone who will assume responsibility to resolve their concerns. Other tenants have reported difficulty getting past the agent to reach the owner.

The code specifies that a license must be displayed on the premises. The license has a contact with a name and physical address, but no phone number. No licenses are required to be posted for single-family rentals.

Some tenants also report that they do not know when and how repairs must be made and what types of responses are appropriate. According to DHCA staff, it is best practice to advise management of issues and allow them a reasonable time before reporting them to DHCA.

Recommendations

1. The license that is displayed should include a working telephone contact number. That number should also be included in the lease. The Landlord-Tenant Handbook and the website should provide guidance on how to identify the property owner/ responsible party.
2. The Landlord-Tenant Handbook and DHCA's website should clarify procedures regarding repairs.
3. The Landlord-Tenant Web page should be referenced on the Office of Consumer Protection website.

c. County Outreach Efforts

While the current laws and policies in Montgomery County must be reviewed and improved, communication of current information and changes in laws, rights, and responsibilities must be better communicated to the County's renters and landlords.

Findings

Montgomery County has some resources available for tenants. These resources come from local government sources and non-government organizations. However, information is often hard to find, with organization and centralization as key issues. In addition, information is seldom if ever available in languages other than English, making it difficult for limited English proficient (LEP) or non-English proficient (NEP) tenants to understand their rights or know where to get assistance.

The limited existing help available to address excessive rent increases is not conveyed well. The County's website does not provide much information on the issue of rent increases. One document on DHCA's website "Rent increases – Tips for Tenants" advises tenants to research market rates if they need to negotiate with landlords about a rent increase, but it gives very little guidance on how to do so.

Even though the County has some publications and resources that it has created for tenants, our survey results, public meetings and individual interviews with renters across the County have demonstrated that few residents have seen or utilized these resources. Governmental assistance cannot help tenants if they do not know it exists. This issue came up repeatedly, but it is even more critical for renters who do not have access to the Internet (the digital divide for seniors, the poor, the blind, and immigrants is well-documented), are not literate, or are limited English proficient (LEP) and non-English proficient (NEP).

Communicating with Tenants

The Takoma Park newsletter has a "Housing Mailbox" column each month. The column addresses a variety of questions raised by tenants and landlords, and the responses are usually written by the Landlord-Tenant Coordinator. The questions cover a wide range of issues and have included the following:

1. What does a tenant do if shortly after moving into an apartment, he/she discovered that a number of repairs are needed, and the tenant doesn't want to be held liable for these problems?
2. Is a notice required to enter a tenant's apartment for repairs?
3. A landlord wanted to know if he could remove high-energy using air conditioners with better ones and charge the tenants a fee for the change.
4. What are the requirements regarding heat in an apartment building?
5. If a tenant does not give 30-day notice of intent to vacate, will he/she lose some of his/her security deposit?

The Takoma Park Newsletter is published 12 times a year as the official publication of the City of Takoma Park. Copies of the newsletter dating back to 2004 are available on the City's website.

Recommendations

Montgomery County must improve upon and expand existing efforts to educate tenants and landlords about their respective rights and obligations.

1. The Landlord-Tenant Handbook should include public and private resources for renters.
2. The Landlord-Tenant Handbook and other resource lists should be translated and made available in the most commonly spoken languages in the county.

3. 311 Service—Information for tenants and landlords should be integrated into the County's planned central 311 system.
4. Copies of the Landlord Tenant Handbook should be made available through the County libraries, housing agencies, Health and Human Services offices, and other County agencies that have significant public contact.
5. Information on County websites should be reviewed to be more user-friendly. For example, the "Rent increases – Tips for Tenants" on DHCA's website should outline options available and refer tenants to the (revised) Annual Rental Facility report to identify comparable units.
6. Outreach—County housing agencies should engage in sustained outreach efforts, in collaboration with community-based organizations to educate tenants about their rights and applicable County laws.

    a. The Office of Landlord Tenant Affairs should work with each County Regional Services Center to conduct at least one scheduled and publicized renters meeting per year.

    b. Efforts may include creating informational public access television programming, through free or low-cost resources such as Access Montgomery, regular programs or dedicated space for housing information at the County libraries, radio programs, and podcasts. Any programming could also be uploaded onto various County websites.

    c. Staff from housing agencies and community-based organizations may author short articles on tenant and landlord issues for local papers such as The Gazette and ethnic community media that reach the large immigrant communities in the County.

    d. County agencies and community-based groups should collaborate on programming such as "housing information fairs" or booths at various existing community events, to ensure that residents have access to critical housing information and resources.

    e. Specific outreach and education should target the frontline staff at non-profit and government agencies with high levels of public contact who might not be familiar with housing programs and rights.

d. Language and Technology Access Concerns

The County must ensure access to information, resources, and government services for all residents. Language access for limited English proficient (LEP) and non-English proficient (NEP) tenants in the county should be continuously assessed.

Findings

Renters in Montgomery County are culturally diverse. Although Montgomery County has some government programs of interest and applicability to tenants, communication about these programs to the diverse public is inconsistent. For example, the Housing Opportunities Commission (HOC) sends out a detailed email to its e-mail list daily; however, the same level of information is not available for individuals who do not use email or the Internet as a primary source for information. This includes individuals without regular Internet access at home (disproportionately, seniors and the poor) and those who cannot read or speak English well or at all. Both tenants and landlords who do not speak English well reported that they had difficulty finding information about housing programs, including their rights and responsibilities. Bilingual staff and interpretation services appear minimal in the two primary County agencies for tenants – DHCA and HOC. Availability of printed information and interpreters for non-Spanish speakers of other languages, including African and Asian immigrants, is even more scarce.

County agencies often rely on ad hoc assistance from non-governmental organizations. Social service providers at community-based agencies described repeated instances where a government agency, such as HOC, would call to request staff to interpret for a walk-in client/customer. Despite the lack of advance notice and their own work demands, the staff do not feel comfortable denying these requests (due to the desire to maintain a good relationship with the County and to provide an important unmet need). These frequent requests burden small non-profits and relieve government agencies of their obligation to better serve LEP/NEP clients.

Recommendations:

1) Montgomery County should vigorously promote equal access for tenants who are blind, deaf, or have limited language or technology access.
2) The County should convene a housing language access task force comprised of relevant stakeholders (i.e. managers from agencies serving renters and landlords, nonprofit staff, and county residents) to:
   a) Identify concerns;
   b) Collaborate on innovative initiatives to ensure equal access, and
   c) Create short and long-term goals for the County in language access.
3) Data should be collected regarding the languages spoken by callers and visitors, and interpretation and translation requests; and
4) County housing agencies should include a standard line item for translation and interpretation in all budget requests from Federal funding sources (including Community Development Block Grants and other HUD funding streams).

(See appendix E for more information on language access)

Issue IV: Tenant Advocacy

a. Tenant Advocacy Organizations

While the tenant population in Montgomery County includes more than 80,000 rental units, advocacy organizations—including tenant's associations at the building level and tenant advocacy organizations county-wide—remain underdeveloped or non-existent.

Findings

Although there are some groups that include some measure of tenants' rights and advocacy regarding tenant/landlord issues in the county, there is no existing county-wide advocacy or coordination structure. Without something in place, renters face two significant disadvantages: 1) Tenants do not have a structure to balance the organized representation of landlords in the County and State; and 2) There is no entity that can carry forward the work and follow-through on the recommendations of this Tenants Work Group. The TWG researched possible county-wide tenant advocacy structures. Many tenant advocacy organizations exist across the United States, including governmental, non-profit, and coalition-based models. A fuller description is available in Appendix B.

Recommendations

1. The County should provide leadership in forming a Tenant Advocacy (TA) structure funded by a landlord-tenant fee.
2. The Tenant Advocacy structure should exist independently from County government. The mission of the TA organization should include:
   - Work and coordinate with government agencies to ensure that tenants have access to relevant information about their rights, and to support renters trying to understand their rights and responsibilities;
   - Provide a strong advocacy voice for renters;
   - Promote constructive dialogue between landlords and tenants;
   - Support and facilitate the development of tenant organizations in rental housing; and
   - Support sustained outreach to renters throughout the County.

3. In addition, as evident from some jurisdictions in the area and around the nation, there are various roles that existing government agencies can play to ensure that tenants have access to information and can exercise their rights within the County:

   - Dedicated County staff members who can facilitate information-sharing with community-based agencies and other stakeholders would create a critical complement to any non-governmental tenant advocacy structure that is created.

- Landlord/Tenant Resource Center—The TWG recommends the creation of some kind of a landlord-tenant resource center in Montgomery County District Court. This could be a useful role for the County to coordinate with private bar associations. A similar resource was created for the D.C. housing court to provide free advice and information to tenants and landlords who do not have lawyers.

- The Office of Landlord/Tenant Affairs—The TWG recommends that the Office of Landlord/Tenant Affairs is restructured (and possibly renamed), and that its role is very clearly defined, perhaps in a way similar to the Office of the Tenant Advocate in D.C. The changes in this office should not affect the ability of tenants to access any other remedies or assistance. In addition, this new version of OLTA could expand existing DHCA grants to community-based organizations that provide legal services and housing counseling to tenants and special populations, such as seniors, the disabled, domestic violence survivors, and immigrants.

- The County should support the convening of existing non-profit and informal groups that currently work on tenant advocacy issues in the county to promote tenant coordination and collaboration. This group can also research best practices regarding improving relationships between landlords and tenants.

Related Issues

As part of the committee structure, the TWG investigated and discussed numerous issues of concern to renters. While most are enumerated above, certain ones did not result in a specific recommendation by the TWG. However, they still warrant mention and future attention.

1. Transit Oriented Development

Tenants are concerned that planned construction of the Metro Purple Line and the growing emphasis on increased transit-oriented development will result in much higher rents and displacement of longtime community residents.

Findings

Transit-oriented development refers to mixed-use commercial and residential zones that are pedestrian-friendly and centered around mass transit hubs such as subway stations and bus depots. In addition to other factors, the impact on affordable housing and existing communities should be considered. Historically, this type of development has led to rapid increases in rent, tenant displacement, and dramatic community change. The Affordable Housing Task Force addressed this issue in its final report as well. For more information on how to mitigate the higher rents that may accompany transit-oriented development, see Appendix C.

Recommendation:

The TWG recommends that this issue be closely monitored in coordination with other affordable housing advocates. The tenant advocacy organization (the establishment of which is recommended in this report) would be the appropriate lead group for this issue.

2. Energy-efficient Appliances

Some tenants do not benefit from policies and practices designed to reduce energy use and costs.

Findings

In many units, tenants pay for utilities separately from their rent. According to the tenant survey, 69 percent of renters pay separately for at least some utilities. However, they do not pay for the appliances they use; the cost of those units is incorporated into the monthly rent. The landlord does not have a financial incentive to replace functioning, high-energy using appliances with more energy-efficient ones if the tenant pays for the utilities associated with that appliance. These utility charges can be quite high, especially for certain appliances, such as heating and cooling units, refrigerators and dishwashers.

Recommendation:

This issue should be examined and a proposal should be offered to provide incentives for landlords to install energy-efficient appliances in units where tenants pay for utilities, in addition to monthly rent.

Appendix A

MONTGOMERY COUNTY RENTAL SATISFACTION SURVEY
Final TOPLINE
August-October 2009
N=588 Montgomery County tenants
(509 mail questionnaires and 79 online.)

Note: All numbers below are percentages. Some columns may not total 100% due to rounding or questions that allowed more than one response. Percentages are calculated on the N reported after each question, which is minus no responses. In addition, percentages in [ ] are calculated excluding No Opinion responses.

Rental Information

Q.1. How much is the total monthly rent for your unit? (N=586)

1. Less than $1,000	19.6
2. $1,000-$1,500	46.8
3. $1,501-$1,750	16.6
4. $1,751-$2,000	7.0
5. $2,000+	10.1

Q.2a. In addition to rent, do you pay monthly for utilities? (N=585)

1. No	30.8
2. Yes	69.2

Q.2b. If you answered yes above, which of the following utilities to you pay for? (Fill in all that apply.*) (N=404)

1. Electric	25.5
2. Gas/oil	.5
3. Water/sewer	1.2
4. Electric and Gas/oil	14.6
5. Electric and Water/sewer	19.3
6. Gas/oil and Water/sewer	.2
7. All three 38.6	

*Categories 4, 5, 6, and 7 were created during data entry to accommodate respondents who selected two or more categories.

Q.3a. How long have you lived in your current rental? (N=585)

1. Less than 1 year	17.4
2. 1-2 years	26.0
3. 3-5 years	27.2
4. 6-9 years	10.4
5. 10 years+	19.0

Q.3b. How many times has your rent increased in your current rental (within the past five years)? (N=572)

1. Never	25.5
2. 1-2 times	32.2
3. 3-4 times	21.0
4. 5 times	14.5
4. 6+ times	6.8

Q.3c. If you answered that your rent increased one time or more, how much was your average annual rent increase? (N=404)

1. 0%-3%	29.0
2. 4%-7%	51.7
3. 8%-12%	14.1
4. 13% to 15%	2.5
5. 16% or more	2.7

Q.4. Prior to your current rental, did you rent in Montgomery County? (N=582)

1. No	49.7
2. Yes	50.3

Please indicate your agreement/disagreement with the statement below by filling in one of the responses.

Q.5. Looking ahead five years from now, I expect that I can continue to afford to pay my rent and live in my current rental. (N=570)

1. Strongly Agree	14.7	[17.3]
2. Agree	27.4	[32.2]
3. Disagree	23.0	[27.0]
4. Strongly Disagree	20.0	[23.5]
5. No Opinion	14.9	-
		(N= 485)

Rental Unit and Landlord Satisfaction

A scale (1-Very Satisfied through 4-Very Dissatisfied) is used to answer questions 6 and 7. Please circle a number that best represents your response.

Q.6. Overall, how satisfied are you with...

	Very Satisfied 1	Satisfied 2	Dissatisfied 3	Very Dissatisfied 4	No Opinion 5
Q.6a. Your unit	22.9 [24.1]	34.8 [36.4]	25.2 [26.4]	12.5 [13.1]	4.6 (N=584) - (N=557)
Q.6b. Your property/ building	23.1 [24.3]	33.3 [35.1]	25.5 [26.9]	13.0 [13.7]	5.2 (N=577) - (N=547)
Q.6c. Your neighborhood	32.8 [35.5]	29.3 [31.7]	18.4 [19.9]	12.0 [12.9]	7.6 (N=577) - (N=533)
Q.6d. Your landlord/ property manager	27.4 [30.1]	26.8 [29.5]	20.2 [22.2]	16.6 [18.2]	9.1 (N=574) - (N=522)

Q.7. How safe do you feel from crime in...

	Very Safe 1	Safe 2	Unsafe 3	Very Unsafe 4	No Opinion 5
Q.7a. Your property/ building	30.6 [32.7]	32.5 [34.7]	19.3 [20.6]	11.4 [12.1]	6.2 (N=581) - (N=545)

Q.7b. Your parking area/ exterior building surroundings	25.8 [27.3]	31.3 [33.1]	23.8 [25.1]	13.8 [14.5]	5.3 (N=581) - (N=550)
Q.7c. Your neighborhood	24.2 [25.5]	35.3 [37.2]	21.4 [22.6]	14.1 [14.8]	5.0 (N=583) - (N= 554)

Please indicate your agreement/disagreement with the statement below by filling in one of the responses.

Q.8. I am comfortable approaching my landlord/property manager with questions or concerns.

Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion
35.8	45.5	9.4	4.3	5.1 (N=587)
[37.7]	[47.9]	[9.9]	[4.5]	- (N=557)

Q.9. My property manager/landlord is responsive to my questions and concerns.

Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion
26.1	45.6	14.9	6.5	6.9 (N=583)
[28.0]	[49.0]	[16.0]	[7.0]	- (N=543)

Q.10. I have not raised concerns, asked questions or complained about a problem to my landlord/property manager for fear of retaliation.

Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion
7.2	12.7	30.5	39.4 1	0.2 (N=581)
[8.0]	[14.2]	[33.9]	[43.9]	- (N=522)

Tenant-Landlord Rights & Responsibilities

Q.11. Are you aware of the following Montgomery County Department of Housing and Community Affairs resources:

Q.11a. Landlord Tenant handbook? (N=569)

1. No 60.1
2. Yes 39.9

Q.11b. Office of Landlord Tenant Affairs? (N=564)

1. No 61.7
2. Yes 38.3

Q.11c. Commission on Landlord Tenant Affairs, which oversees landlord tenant complaints? (N=564)

1. No 70.7
2. Yes 29.3

Q.11d. Housing code enforcement investigators who investigate complaints about code violations and perform routine inspections? (N=561)

1. No	59.4
2. Yes	40.6

Q.12a. Have you personally had an experience that required you to contact the Montgomery County Office of Landlord Tenant Affairs to resolve a problem? (N=573)

1. No	88.3
2. Yes	11.7

Q.12b. If yes, were you satisfied with the results of that process? (N=63)

1. No	55.6
2. Yes	44.4

Q.13. Do you agree that you understand both your rights and responsibilities as a tenant and your landlord's rights and responsibilities? (N=562)

1. Understand both tenant's and landlord's rights	50.9
2. Understand neither	21.9
3. Understand my rights and responsibilities as tenant but not landlord's	23.5
4. Understand landlord's rights responsibilities but not mine as tenant	3.7

Issues Affecting Tenants

Q.14. Please rank from 1-5 the issues most important to you (1 being most important, 5 being least important), 6: No Opinion)

	Most Important 1	2	3	4	Least Important 5	No Opinion 6
Q14a. Current rent affordability	64.1 [65.8]	17.8 [18.3]	8.3 [8.5]	4.7 [4.8]	2.6 [2.7]	2.6 (N=579) - (N=564)
Q.14b. Communication with landlord	31.8 [33.0]	29.2 [30.3]	15.7 [16.3]	13.5 [14.0]	6.2 [6.5]	3.6 (N=579) - (N=558)
Q.14c. Long-term rent affordability	55.1 [56.9]	20.6 [21.2]	9.7 [10.0]	7.4 [7.7]	4.1 [4.3]	3.1 (N=579) - (N=561)
Q.14d. Safety/crime	57.1 [58.3]	19.6 [20.0]	10.2 [10.4]	6.4 [6.5]	4.7 [4.8]	2.1 (N=578) - (N=566)

Q.14e. Other See Appendix A

Q.15a. Examples of discrimination include being denied rental, denied lease extension/ renewal, charged a higher rent than other tenants, and housing concerns not taken seriously because of your personal characteristics.

In the past ten years, have you ever felt discriminated against by a previous, current or potential landlord/property manager in Montgomery County? (N=583)

1. No	87.0
2. Yes	13.0

Q.15b. If you answered yes above, what was the reason (or reasons) that you felt you were discriminated against? (Fill in all that apply.) (N=66)

1. Race, color, national origin	65.2
2. Religion	2.5
3. Sex	12.1
4. Marital status	9.1
5. Physical or mental disability	12.1
6. Presence of children	7.6
7. Ancestry	3.1
8. Source of income (includes section 8 Housing vouchers)	24.3
9. Sexual orientation	—
10. Age	19.7
11. Gender identity	—

Q.16a. Do any residents in your unit have a physical disability? (N=574)

1. No	70.6
2. Yes	29.4

Q.16b. If you answered yes to the above question, do you consider your unit to be accessible? (N=165)

1. No	24.2
2. Yes	75.8

Demographic Information

Q.17. What is your five-digit postal zip code? (Please write in.) (N=566)

1. 20814	7.4	(7.6)**
2. 20874	5.5	(7.9)
3. 20906	9.7	(9.3)
4. 20904	7.9	(11.3)
5. 20910	15.0	(13.3)
6. SW	14.0	(12.8)
7. NE	2.6	(2.0)
8. NW	11.2	(13.0)
9. SE	26.6	(22.7)

**Percentages in this column are based on the actual distribution of Montgomery County rental units by U.S. Postal Zip Codes.

Q.18a. Are there adult members of your household who are not fluent in English? (N=568)

1. No	88.2
2. Yes	11.8

Q.18b. If you answered yes above, please fill in all the languages that apply. (N=65)

1. Spanish	56.7
2. Mandarin Chinese	4.8
3. French	3.0
4. Korean	6.0
5. Other (Please write in.)	37.3 (See Appendix B)

Q.19. For these questions, please write the number on the appropriate line.

Q.19a. How many residents live in your unit? (N=561)

1. One	39.9
2. Two	29.4
3. Three	15.2
4. Four	9.1
5. Five	4.6
6. Six or more	1.8

Q.19b. How many are under age 18? (N=543)

0. Zero	69.8
1. One	16.6
2. Two	9.9
3. Three	3.1
4. Four	—
5. Five	—
6. Six or more .	6

Q.19c. How many are over 65? (N=540)

0. Zero	76.3
1. One	17.2
2. Two	5.6
3. Three	.6
4. Four	.2
5. Five	—
6. Six or more .	2

Q.20. Do you consider yourself to be Hispanic or Latino? (N=578)

1. No	87.0
2. Yes	13.0

Q.21. What is your race? (Fill in all that apply) (N=558)

1. American Indian or Alaska Native	1.1
2. Asian	8.4
3. Black or African American	28.0
4. Native Hawaiian or Other Pacific Islander	.2
5. White	54.7
6. More than one race	4.1
7. Other (Please write in.)	6.8 (See Appendix C)

Q.22. What is your sex? (579)

1. Female	66.1
2. Male	33.9

A1. Language used to complete questionnaire. (N=588)

1. English	95.9
2. Spanish	3.9
3. French	.2
4. Mandarin Chinese	—
5. Korean	—

A2. Mode used to complete questionnaire. (N=588)

1. Mail	86.6
2. Online	13.4

Appendix B

Examples of Tenant Advocacy Structures

Governmental Programs

- District of Columbia:
  Office of Tenant Advocate — assists with outreach and brings together various stakeholder communities around tenant petitions, rent control, and various other issues. The office also files tenant petitions and provides funding for legal service agencies to take on individual and tenant organization cases.

- Takoma Park, Maryland
  The City of Takoma Park contracts with two tenant outreach/organizing staff who work directly with tenants and tenant organizations in the city. The staff support tenant efforts to organize and provide tenants with information on their rights and other resources (such as referrals for legal assistance, financial services, or comparisons with other buildings).

Non-Profit

- Somerville, Massachusetts
  The Welcome Project's Tenant Advocacy Initiative: Helps families increase their understanding of the various systems they must negotiate. In the course of delivering a range of advocacy services, they also provide oral interpreter services, written translation, and information and referral services in Spanish, Haitian Creole, Vietnamese, and English.

- District of Columbia:
  Latino Economic Development Corporation/Housing Counseling Services/Empower DC: (LEDC/HCS/EmpowerDC) are three non-profit organizations that help tenants take the first step toward preserving affordability and preventing displacement by organizing tenant associations and negotiating with building owners and management for improved conditions. Some receive funding from the Department of Housing and Community Development to provide technical assistance, which helps residents work together in documenting and reporting code violations and talking with management.

- New York City:
  Housing Conservation Coordinators: Community-based, not-for-profit organization anchored in the Hell's Kitchen/Clinton neighborhood of Manhattan's West Side with a focus on strengthening and preserving affordable housing Strycker's Bay Neighborhood Council, Inc.

- Minnesota

HOME Line: Provides free legal, organizing, education and advocacy services, so that tenants throughout Minnesota can solve their own rental housing problems. HOME Line works to improve public and private policies relating to rental housing, by involving affected tenants in the process.

Coalition-Based Programs

- District of Columbia:

D.C. Tenant Forum: Citywide tenant forum for tenant associations, individual tenants, and nonprofit allies/advocates to come together and identify priority agenda items. In 2008, timely inspections and repairs were on the top of the priority list, and through this work, tenants and advocates came together to draft legislation currently being considered by the City Council.

D.C. Right to Housing Coalition: Citywide coalition of more than 25 tenant, legal, service, advocacy, and organizing groups focused on housing that have come together to discuss a campaign to establish a human right to housing in the District of Columbia through coordination, education, integration of a shared framework in existing efforts, and new initiatives to further the campaign.

Appendix C

Transit Oriented Development

A study conducted by "Good Jobs First" found that certain types of transit-oriented development were more likely to substantially mitigate or avoid the effects of residential tenant displacement address. The programs identified were as follows:

- Projects in which a community coalition negotiated for a Community Benefits Agreement with a private developer for guaranteed concessions, such as local hiring, living wages and affordable housing set-asides. Examples of this can be found in Los Angeles, San Diego, Denver, and Milwaukee.
- Those in which a community development corporation (CDC) initiated the project and made it integral to the organization's neighborhood improvement mission. In Columbus, Ohio, for example, a transit agency working with CDCs developed an entire jobs-access program after helping to develop a mixed-use transit-oriented development.
- Cases in which an exceptional private developer intentionally designed a project for the benefit of low-income families and/or commuters. The Tom Hom Group, for example, sited an affordable housing development in Las Vegas by first consulting bus-route maps and identifying job centers.

Appendix D

Formal process for filing a complaint with OLTA after it has been filed with the Office of Landlord-Tenant Affairs (OLTA)

1. A landlord or tenant calls and the OLTA staff advises them to fill out a complaint, which can then be faxed, mailed or filed online.

2. The complainant is directed to send a copy to the other party (ie, if the tenant files a complaint with OLTA, s/he is supposed to send a copy directly to the landlord).

3. If, after seven days, the issue has not been resolved, then the complaint is supposed to be sent to OLTA with a copy of the lease and other pertinent documents.

4. A case is then opened and assigned to an investigator who contacts both parties and requests additional information as needed.

5. If the complaint can not be worked out by phone, an initial conciliation meeting at the Department of Housing and Community Affairs (DHCA) is convened. It is a confidential meeting and both parties may bring anyone they wish to this meeting. It is not mandatory to attend although it is mandatory that the meeting be convened if the issue has not been resolved. Agreements reached at the conciliation meeting are enforceable in court, if breached.

6. If the complaint is not conciliated, the investigator writes a report and makes a recommendation to the Commission on Landlord-Tenant Affairs.

7. The Commission votes on whether to hear the case.

8. If there is no hearing, the case is ended.

9. If there is a hearing scheduled, notices are sent out.

10. At the hearing, both parties have the right to witnesses and lawyers, but they may not bring non-lawyers to advocate on their behalf. The Commission—which is a three-person, all-volunteer panel—takes a vote, and its decision is binding and enforceable.

11. The parties have the right to appeal a decision to Circuit Court.

Appendix E

Language and technology access issues to be considered in a task force.

The following suggestions are divided into the three categories.

a) Identify concerns
A special task force should address training of County staff to understand the importance of this issue and the obligation of County agencies to provide access.

b) Collaborate on innovative initiatives.
This includes identifying best practices for efficient and effective ways to collaborate and ensure language access. Washington, D.C. is developing a plan that might be an appropriate model.

- This process should include identifying existing language access work within the County, such as the County Executive's Office of Community Partnerships work with local deaf, blind, and immigrant-serving organizations.
- This process also includes review of the "health promoter" program of the Asian American Health Initiative of the County's Department of Health and Human Services. The Initiative worked with bilingual or multilingual community leaders to train individuals in basic health information. It also set up events and workshops for government representatives to present health and wellness information. The individuals involved with this effort are paid minimal stipends and expenses: the program has been low cost, but high impact. This model could be replicated in deaf, senior, and immigrant communities around housing issues;

c) Create short- and long-term goals for resolving language access issues:
These goals should include recommendations for specifics of language access plans for agencies that serve tenants, including HOC and DHCA. These plans should include:

- Targets with timelines, including a list of documents that must be translated and the list of languages needed for translation;
- A plan and process for outreach to LEP/NEP, deaf and blind tenants, including those in low income housing, to communicate their rights to interpretation services and information about various programs and services.
- A framework for evaluation,
- A mechanism for filing administrative complaints for non-compliance;
- Making County service centers more friendly and accessible for LEP/NEP walk-ins. An early improvement could include posters, printed guides and handbooks in various languages to make these visitors feel welcome. Also, the use of volunteers and telephonic interpretation services.
- Trainings and briefings with community ethnic media so that they understand programs and can report in language. Ads in non-English newspapers in the county can reach thousands of renters and landlords;
- Using the existing pool (and consider expanding that pool) of bilingual interpreters who work within the county, to ensure that communication is available for all who contact HOC or DHCA.

Appendix F

Resources for Renters in Montgomery County

From Montgomery County's Department of Housing and Community Affairs:

1. On-Line Apartment Rental Guide: searchable apartment database, updated annually. http://www.montgomerycountymd.gov/DHCARental/
2. Landlord-Tenant Handbook (available in English and Spanish in print and online): explains tenant and landlord rights, responsibilities and the law. English: http://www.montgomerycountymd.gov/content/dhca/housing/landload_T/pdf/handbook2008rev1.pdf Spanish: http://www.montgomerycountymd.gov/content/dhca/housing/landload_T/pdf/spanishhdbk07acorrected.03.30.07web.pdf
3. Ordinary Wear and Tear Booklet: describes guidelines and responsibilities of tenants and landlords regarding security deposits. http://www.montgomerycountymd.gov/content/dhca/housing/landload_T/pdf/ordinarywearandtearinorderbypage03.26.07.pdf
4. Security Deposit Information: Landlord-Tenant Handbook and Ordinary Wear and Tear booklet detail law governing security deposits. See also DHCA's webpage: http://www.montgomerycountymd.gov/content/dhca/housing/landload_T/pdf/securitydeposits041307.pdf
5. Room Rentals Brochure (English and Spanish): provides general information and regulations for renting a private room. http://www.montgomerycountymd.gov/content/dhca/housing/landload_T/pdf/roomrentalflyerexp061108.pdf; http://www.montgomerycountymd.gov/content/dhca/housing/landload_T/pdf/roomrentalflyerspanish061108.pdf
6. Accessory Apartments: webpage defines accessory apartments http://www.montgomerycountymd.gov/dhctmpl.asp?url=/Content/DHCA/housing/landload_T/accessory_apt.asp
7. Condominium Conversion Handbook (English and Spanish): discusses laws and procedures when a rental building converts to a condominium http://www.montgomerycountymd.gov/content/dhca/housing/landload_T/pdf/condoconversionhdbk112006.pdf
8. Source of Income: webpage provides general guidelines on what constitutes a source of income http://www.montgomerycountymd.gov/dhctmpl.asp?url=/Content/DHCA/housing/landload_T/income.asp
9. Rent Increases: tips for tenants on how to negotiate rent increases http://www.montgomerycountymd.gov/content/dhca/housing/landload_t/rentcontrolstatement.asp
10. "Evicted: Don't Let It Happen To You": video on how to avoid eviction http://www.montgomerycountymd.gov/dhctmpl.asp?url=/content/DHCA/housing/landload_T/landload_t.asp

11. Forms:
    a. Sample Leases
       Single family unit :
       http://www.montgomerycountymd.gov/content/dhca/housing/landload_T/pdf/single%20family%20dwelling%20lease-2005.pdf
       Multi-family units
       http://www.montgomerycountymd.gov/content/dhca/housing/landload_T/pdf/apartment_and_condominium_lease_11_30_04.pdf
    b. Rental Application
       http://www.montgomerycountymd.gov/Content/DHCA/housing/landload_T/pdf/rentalapplication.pdf
    c. Landlord-Tenant Complaint Form
       http://www.montgomerycountymd.gov/Content/DHCA/housing/landload_T/pdf/cf2000.pdf
12. eProperty data mining: Online resource that allows an individual to view the results of code enforcement inspections at individual properties
    http://www.montgomerycountymd.gov/apps/DHCA/pdm_online/pdmfull.asp

Legal resources and emergency assistance information compiled by DHCA:
http://www.montgomerycountymd.gov/dhctmpl.asp?url=/Content/DHCA/hca/info/links.asp

Appendix G

Work Group Outreach

The Tenants Work Group (TWG) sponsored four public meetings in different areas of the County to solicit input from a wide-range of renters. These meetings were publicized through Montgomery County's Regional Service Centers, the County website, local blogs, and the Gazette. More than 40 community members participated in the meetings. Common themes presented at the public meetings included: arbitrary and unpredictable rental increases, lack of information about resources for renters, difficulty starting and sustaining a tenants association, and reluctance to approach management when problems arise for fear of retaliation. At a number of these meetings, seniors expressed their difficulties affording the cost of renting while living on a fixed income. One of these meetings was held at a senior center and specific outreach was conducted to that group.

Meeting Dates and Locations:

March 18, 2009, Holiday Park Senior Center

March 30, 2009, East County Regional Center

April 23, 2009, UpCounty Regional Center

May 5, 2009, Long Branch Community Center

Additionally, the TWG commissioned a survey of 5,000 renters living in Montgomery County, to seek their input on what issues tenants care most about, how effective current tenant laws are and what problems tenants face. The survey was coordinated by Salisbury University's Institute for Public Affairs and Civic Engagement (PACE) and asked questions that will help the Tenants Work Group better understand what issues tenants care about most, how effective current tenant laws are, and what problems tenants are currently facing. The survey was mailed out in English and Spanish and was available online in English, Spanish, French, Mandarin Chinese and Korean. *(See Appendix A for a copy of the survey)*

Finally, the TWG created a web page with meeting notices and minutes available to the public (www.montgomerycountymd.gov/mcgtmpl.asp?url=/Content/EXEC/TWG/home.asp), in addition to a portal for electronic submission of public comments to the group.

Appendix H

Tenants Work Group Meeting Dates:

October 28, 2008
November 13, 2008
November 25, 2008
December 9, 2008
January 6, 2009
February 2, 2009
February 11, 2009
February 25, 2009
March 24, 2009
April 7, 2009
April 28, 2009
May 12, 2009
May 26, 2009
June 9, 2009
June 23, 2009
July 7, 2009
July 21, 2009
August 4, 2009
August 18, 2009
September 15, 2009
September 29, 2009
October 5, 2009
October 29,2009
November 10th
November 30th

Note: These dates do not include numerous ad hoc meetings.

. Rental housing data collection.

(a) The County Executive must establish procedures to collect and analyze housing data for rental dwelling units in the County, and must make every effort to centralize the data collection functions to minimize the burden for landlords.

(b) The reporting process is mandatory for landlords of licensed rental housing, including new dwelling units as they come on the market and all vacant units.

(c) The data collection frequency must be on an annual basis.

(d) The Director must use a survey form for collecting data designed to minimize the repeated reporting of unchanged information, while maintaining an accurate data base.

(e) The housing data collected must be used to ascertain the supply and availability of rental housing, as well as other operating characteristics. Each landlord must provide the following information as requested by the County:

(1) The location of the rental facility;

(2) Structure type;

(3) Year built;

(4) Distribution of units by standard bedroom sizes;

(5) The number of units by bedroom size that were re-rented during the month;

(6) The number of vacant days applicable to those units;

(7) The rent charged for each rental unit;

(8) The rent charged for each re-rented unit before vacancy; and

(9) The new turnover rent charged for each re-rented unit.

(f) Each landlord must maintain records for each project on an aggregate basis containing the following information, that must be made available to the County upon request:

(1) A description of utilities that are included in the rent;

(2) The landlord's actual monthly utility costs, including gas, electric, heating, fuel, trash removal, and water and sewer;

(3) The availability of certain amenities, including air conditioning, wall-to-wall carpeting, dishwasher, garbage disposal, washer/dryer in apartment unit or on the site, patio-balcony, swimming pool and tennis courts;

(4) The actual operating expenses, by category;

(5) The actual operating revenues, by category;

(6) A schedule of any other fees and income; and

(7) Tenant rent/income ratio for prospective tenants that protects the confidentiality of personal income information and that is available to the landlord as part of the normal renting process.

(g) Each landlord of a rental dwelling unit in a common ownership community must report to the governing body of the common ownership community the rental status of each unit owned by the landlord. Any status change must be reported to the governing body, or its delegated agent, within 10 days after the change.

(h) The governing body of a common ownership community must file with the Department information provided by the landlord identifying each dwelling unit in the community that is rented by the owner to another person. The information must identify the unit and the name and address of the landlord to the extent that the landlord provides this information.

(i) The Director is primarily responsible for controlling rental housing data surveys for the County. The Director must share this information with other governmental agencies that need it without invading individual privacy. In this regard, the Director must coordinate survey activities with other County departments, and make available to the departments the results of all surveys in accordance with executive procedure.

(j) Any landlord who violates any provision of this Section is liable for payment of a civil penalty in an amount not to exceed $1,000 for each violation. (1978 L.M.C., ch. 12, § 1; 1978 L.M.C., ch. 43, § 3; 1981 L.M.C., ch. 31, § 1; 1983 L.M.C., ch. 24, § 12; 1984 L.M.C., ch. 30, § 2; 1992 L.M.C., ch. 24, § 1; 1995 L.M.C., ch. 17, § 1; 1996 L.M.C., ch. 13, § 1; 2000 L.M.C., ch. 32, § 1.)

Editor's note—The above section is cited in Lawrence N. Brandt, Inc. v. Montgomery County Commission on Landlord-Tenant Affairs, 39 Md.App. 147, 383 A.2d 688 (1978).

1983 L.M.C., ch. 24, § 13, provides in part as follows: "The amendments to chapter 29 approved by this act shall be repealed and of no force or effect on or after March 8, 1985." This sentence was deleted by 1985 L.M.C., ch. 40, § 1, thus giving the law permanent status.

Apartment and Condominium Lease

Montgomery County, Maryland

Approved by the Montgomery County Commission on Landlord-Tenant Affairs
Copies of the Montgomery County Landlord-Tenant Handbook are available upon request (240) 777-3600
www.montgomerycountymd.gov/hca
(Not For Use in the City of Gaithersburg, City of Rockville or City of Takoma Park)

THIS LEASE, made on _____, _____, between _____ as Agent for Landlord (hereinafter "Landlord" or "Landlord/Agent") and _____ _____ (hereinafter "Tenant"). WITNESSETH, that the Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord, premises known as _____ _____, Montgomery County, Maryland, for the term of _____ beginning on the first day of _____,-_____, and ending on the last day of _____, _____, at a total rent of _____ _____ Dollars ($_____), payable in equal monthly installments of _____ _____ Dollars ($_____) in advance on the first day of each and every month ("Rent Due Date") of said term. If this Lease commences on a day other than the first of the month, the amount of rent to be paid for the balance of said first month will be apportioned pro rata; thereafter rent will be paid on the first day of the month. Tenant covenants and agrees to pay said rent as set forth herein. Tenant covenants and agrees to pay rent to _____ at _____, (or at such other place as Landlord may from time to time designate) without diminution, deductions or demand and said obligation to pay rent is independent of any other clause herein. Failure to pay said rent at the time specified will constitute default and the Landlord may use any remedy afforded him under the terms of this Lease and/or applicable law. All sums of money or other charges, including payments for damages, required to be paid by Tenant to Landlord/Agent or to any other person under the terms of this Lease, whether or not the same be designated "rent" or "additional rent," will be deemed rent and will be collectible as such. Landlord/Agent shall furnish to Tenant a receipt for all cash or money orders paid by Tenant to Landlord/Agent for rent, security deposit or otherwise.

Each Tenant is jointly and severally liable to Landlord/Agent for full performance under each and every covenant and condition of this Lease Agreement and for compliance with applicable law.

PRO RATA RENTAL PAYMENTS

1. It is additionally understood and agreed that Tenant is to commence occupancy of the premises on _____, _____. Tenant is to pay the sum of _____ Dollars ($_____) on _____, _____, as "pro rata" rent for the period _____, _____, through _____, _____.

ADDITIONAL CHARGES

2. Landlord/Agent may require that all rental payments be made by money order, cashier's check and/or certified check. Tenant also agrees that in the event Tenant fails to pay any installment of rent within ten (10) days beyond the date on which it is due and payable, Tenant must pay Landlord, in addition to the rent, a late charge in the amount of five percent (5%) of the monthly rent. However, the ten (10) day late period is NOT a grace period, and the rent is due and payable on the first of each month. The late charge must be paid as additional rent together with the rent then overdue and in arrears, and acceptance of such payment is not a waiver of the requirement that rent is due on the first day of the month. Nothing in this lease constitutes a waiver or limitation of Landlord's right to institute legal proceedings for non-payment of rent, damages and/or repossession of the leased premises for non-payment of any installment of rent when and as the same becomes due and payable. A service charge (which sum shall not exceed the maximum permitted by state law) of thirty-five dollars ($35.00) will be automatically made for each instance in which a check is returned unpaid for any reason by the Tenant's bank.

SECURITY DEPOSIT

3. In accordance with the Annotated Code of Maryland, Real Property Article, Tenant has deposited with the Landlord/Agent the sum of _____ Dollars ($_____), receipt of which is hereby acknowledged, which sum does not exceed two (2) months' rent, which is to be held as collateral security and applied on any unpaid rent or unpaid utility bill that may remain due and owing at the expiration of this Lease, any extension thereof or holding over period, or applied to any damages to the premises in excess of ordinary wear and tear caused by the Tenant, the Tenant's family, guests, agents, employees, trades people, or pets, or other damages and expenses suffered by Landlord as a result of a breach of any covenant or provision of this Lease. Tenant may not utilize the security deposit as rent and must not apply the same as the last month's rent. The security deposit will be deposited and maintained in an escrow account in a federally insured financial institution which does business in the State of Maryland, devoted exclusively to security deposits, within thirty (30) days after it has been received. The security deposit may be held in insured certificates of deposit at branches of a federally insured financial institution within the State of Maryland or in securities issued by the federal government or the State of Maryland.

The Landlord/Agent must provide the Tenant, within forty-five (45) days after the termination of the tenancy by first class mail directed to the last known address of the Tenant, a written list of any damages to the premises together with a statement of costs actually incurred. Within forty-five (45) days after the termination of the tenancy, the Landlord/Agent must return the deposit to the Tenant together with simple interest which will accrue at 3% per annum less any damages rightfully withheld. Interest will accrue at six (6) month intervals from the day Tenant deposits said security deposit with Landlord/Agent, provided the said security deposit is Fifty Dollars ($50.00) or more. The foregoing provisions do not apply to any Tenant who has abandoned the premises or who has been evicted unless such Tenant makes a written demand for the return of the security deposit within 45 days of being evicted, ejected or abandoning the premises, and provides the Landlord with his/her new address.

Tenant's obligations under this Lease may not end when Tenant ceases to occupy the premises. Repairs required may be so substantial or of such a nature that work will not be completed within the forty-five (45) day period following the termination of the tenancy; in such event, Landlord reserves the right to pursue Tenant for reimbursement for expenses incurred to repair damages to the premises.

In the event of a sale of the property upon which the premises is situated or the transfer or assignment by the Landlord/Agent of this Lease, the Landlord/Agent has the obligation to transfer the security deposit to the transferee and Landlord/Agent is released from all liability for the return of the security deposit, and the Tenant must look solely to the new Landlord/Agent for the return of his security deposit. It is agreed that the foregoing will apply to every transfer or assignment made of the security deposit to a new Landlord/Agent.

In the event of any rightful or permitted assignment of this Lease by the Tenant to any assignee or sublessee, the security deposit is deemed to be held by the Landlord/Agent as a deposit made by the assigned or sublessee and the Landlord/Agent will have no further liability with respect to return of such security deposit to the assignor.

The Landlord or Landlord's estate, but not the managing agent or court appointed receiver, will remain liable to the Tenant for the maintenance of the security deposit as required by law.

Failure of the Landlord to comply with the security deposit law may result in the Landlord being liable to the Tenant for a penalty of up to three (3) times the security deposit withheld, plus reasonable attorney's fees.

POSSESSION

4. If on the date of this Lease another person is occupying the premises and Landlord is unable to deliver possession on or before the commencement of the term of this Lease, Tenant's right of possession hereunder is postponed until said premises are vacated by such other person, and the rent due hereunder must be abated at the rate of one-thirtieth (1/30) of a monthly installment for each day that possession is postponed. The Tenant, on written notice to the Landlord before possession is delivered, may terminate, cancel, and rescind the lease; the security deposit and rent paid must be returned to the tenant within fifteen (15) business days after Landlord's receipt of the notice.

ACCEPTANCE OF PROPERTY

5. a. Delivered in compliance with law. Landlord covenants that the leased premises and all common areas are delivered in a clean, safe and sanitary condition, free of rodents and vermin, in a habitable condition, and in complete compliance with all applicable laws. Tenant acknowledges that he/she has been given an opportunity to examine the premises, that he/she has examined the premises and found it to be in satisfactory condition.

b. List of existing damages. Tenant has the right to have the dwelling unit inspected by the Landlord in the Tenant's presence for the purpose of making a written list of any damages existing at the commencement of the tenancy if the Tenant so requests by certified mail to the Landlord within fifteen (15) days of the Tenant's occupancy. Upon landlord's receipt of the form, Landlord must promptly inspect the dwelling unit to confirm or deny the existence of the damages claimed to exist prior to Tenant's occupancy. A copy of the inspection report must be given to the Tenant. Tenant acknowledges that he/she has been supplied a form on which to list existing damages, attached to the lease.

c. Landlord acknowledges his/her responsibility for maintaining the premises in accordance with all applicable provisions of any federal, state, county or city statute, code, regulation or ordinance governing the maintenance, construction, use or appearance of the dwelling unit and the property of which it is a part, including Chapter 8, Title "Buildings," Chapter 22, Title "Fire Prevention," Chapter 26, Title "Housing Standards," and Chapter 59, Title "Zoning" of the Montgomery County Code, as amended, which are incorporated by reference into this Lease, pursuant to which code provisions Landlord provides this express warranty of habitability and covenant to repair.

USES/AUTHORIZED OCCUPANT

6. The premises will be used solely for residential purposes and be occupied by no more than _____ persons, including children. The following persons and no others, except afterborn children, are authorized by Landlord to reside within the demised premises:

_____

_____

_____

_____

Tenant will not use the premises for any disorderly or unlawful purposes or disruptive to the quiet enjoyment of others and will comply with all applicable Federal, State, County and local laws and ordinance. Tenant agrees that quiet enjoyment includes not knowingly allowing or permitting controlled dangerous substances or paraphernalia within leased premises or common areas.

Guests. Persons visiting Tenant may not reside at the premises for more than two (2) weeks total during any calendar year, unless written permission is first secured from Landlord. Tenant's guests and visitors must abide by all applicable covenants and rules contained in this Lease, and a breach of the lease by a guest or visitor will be treated as a breach by Tenant.

PETS

7. The Tenant is not allowed to keep pets on the premises except with the written permission of the Landlord/Agent. Tenants who have pets must have the demised premises de-fleaed and de-ticked by a professional exterminator, and if carpeted, the carpeting shampooed by a professional cleaner, at the termination of occupancy. Tenant must provide a receipt for work performed. For all other damages, Tenant agrees to pay for any and all damages caused by pets to the premises. Tenant is authorized to have pets:

☐ YES ☐ NO # ALLOWED _____ TYPE OF PET(S) _____ WEIGHT _____

MAINTENANCE

8. a. Tenant must generally maintain the rental dwelling in a clean, sanitary and safe condition. Such maintenance includes the caulking of bathtubs and sinks; replacement of HVAC filters, fuses, batteries and light bulbs; and cleaning of appliances including, but not limited to, stoves and microwave ovens, refrigerators and freezers, garbage disposals, trash compactors, dishwashers, washing machines, clothes dryers, window air conditioning units, humidifiers and de-humidifiers.

b. Tenant must place all garbage and trash in suitable covered containers. Tenant will furnish his/her own electric light bulbs and fuses.

c. Tenant must keep at least 80% of the floor area covered with rugs or carpeting.

d. Tenant must promptly report to Landlord any problems requiring repairs or replacement beyond general maintenance. *Tenant must not order repairs or replacements without prior approval from the Landlord/Agent.* Notwithstanding anything to the contrary herein, Tenant is responsible for any costs incurred for repairs or replacements made necessary due to abuse or negligent acts of commission or omission by the Tenant, his family, guests, employees, invitees or pets.

COMMON OWNERSHIP COMMUNITY RULES AND REGULATIONS

9 Tenant, Tenant's family, guests and employees must abide by all rules and regulations and all notices governing the property now or hereafter in effect by the _____ (print name of common ownership community, if applicable), that are brought to the attention of the tenant, that the tenant consents to in writing, and that are reasonably necessary to preserve the property of the landlord, other tenants, or any other person. A copy of this Lease Agreement will be submitted to the Association if required by the Association. Any obligation of the owner that affects the use and occupancy of the unit or any common area associated with the unit is enforceable against the Tenant. Tenant acknowledges receipt of a copy of the Association rules and regulations. In addition, the Declaration of Covenants and Bylaws, where applicable, are currently on file in the Depository of the Clerk of the Montgomery County Circuit Court. Failure to cure any violations on the part of the Tenant will be deemed a breach of this Lease and Tenant will be responsible for the cost of any fines levied upon the Landlord as a result thereof.

(Initials) _____ _____ _____ _____

UTILITIES

10. Tenant must pay all utility bills that are individually metered or charged to the premises as and when the same shall become due, and make all required deposits therefore. Tenant is responsible for the following utilities:

(Check all that apply) ☐ gas ☐ electric ☐ water and sewer ☐ telephone ☐ cable

SMOKE DETECTORS

11. a. Landlord/Agent certifies that Smoke Detectors have been installed and are in proper working condition in accordance with applicable law prior to Tenant's occupancy. It is the responsibility of Tenant to check Smoke Detectors periodically during the tenancy and replace batteries as necessary to keep the Smoke Detectors in proper working condition and to report any malfunctions to Landlord/Agent in writing.

b. **This residential dwelling unit contains alternating current (AC) electric service. In the event of a power outage, an alternating current (AC) powered smoke detector will not provide an alarm. Therefore, the occupant should obtain a dual powered smoke detector or a battery powered smoke detector.**

SPRINKLER SYSTEM

12. In units equipped with fire sprinkler systems, no portion of the system is permitted to be changed, altered, or tampered with. Sprinkler heads must not be painted, covered, or obstructed, nor must anything be hung from them.

ALTERATIONS

13. Tenant, without the prior written permission of the Landlord/Agent, will not remodel or make any structural changes, alterations or additions to the premises; will not paper, paint or decorate; will not install, attach, remove or exchange appliances or equipment, such as air conditioning, heating, refrigerator or cooking units, radio or television antennae, subscription or pay television devices and wiring, satellite dishes; will not drive nails or other devices into the walls or woodwork (a reasonable number of picture hangers excepted); and will not change the existing locks of the premises or install additional locks without written consent of the Landlord/Agent.

VEHICLE/PARKING

14. No motor vehicle, trailer or other such vehicle may be parked on the property without current license plates and said vehicles must be in operating condition. Vehicles may be parked only in garages, driveways, assigned spaces, if provided, or on the street or as regulated by the Condominium or Cooperative Association named in Paragraph 9. Landlord/Agent assumes no responsibility or liability whatsoever for the loss of or damage to any vehicle while parked in said area other than loss or damage occasioned by negligence of Landlord/Agent.

INSURANCE

15. a. *Landlord's insurance policy does not provide tenant coverage for personal belongings. Tenant will do nothing and permit nothing to be done on or about the premise and common areas, which will contravene any insurance policy covering the same.*

b. *Tenant is strongly advised to obtain appropriate Renter's Insurance to protect Tenant's personal belongings and liability coverage.*

SUBLET/ASSIGNMENT

16. Tenant must not assign this Lease or sublet the premises or any portion thereof, or transfer possession or occupancy thereof to any other person or persons without the prior written consent of the Landlord/Agent, which consent must not be unreasonably withheld, provided that the prospective assignee or subtenant satisfies established standards set forth by Landlord for all prospective tenants including, but not limited to, a credit check, rental and employment references and Tenant's payment of $25.00 service charge defraying Landlord's expenses incidental to processing the application for assignment or sub-tenancy. In the case of subletting, Tenant may be held liable for any breach of this Lease by subtenant. If the legal documents and rules and regulations of the Association named in Paragraph 9 prohibit subleasing, Landlord/Agent need not consent to an assignment or sublease of the premises.

HOLD HARMLESS

17. Tenant will indemnify and save Landlord/Agent harmless from any and all loss, claim or damage by reason of any accident, injury, or damage to any person or property occurring anywhere on or about the leased premises which is within the exclusive control of the Tenant, unless damage, injury or accident is caused by Landlord's/Agent's negligence or violation of law. Further, Landlord/Agent is not liable for any loss or damage to property of Tenant caused by vermin or by rain, storm water or steam that may leak into or flow from any part of the said premises or from any source except where such loss or damage results from Landlord's negligence or violation of law.

LANDLORD/AGENT ACCESS TO PREMISES

18. a. The Landlord/Agent may enter the dwelling unit after giving due notice (24 hours) to the Tenant and the Tenant has not unreasonably objected, to: make necessary repairs, decorations, alterations or improvements; supply services only by mutual agreement during normal business hours, except in an emergency; or exhibit the dwelling unit to prospective purchasers, mortgages, or tenants only during normal business hours, including weekends, except as the Landlord/Agent and Tenant otherwise agree. Landlord/Agent may enter the dwelling unit immediately without notice to Tenant in an emergency situation.

b. Landlord/Agent may enter the dwelling unit after providing due notice to the Tenant (24 hours) when the Landlord is required to allow access to the Department of Housing and Community Affairs for an inspection; or when the Landlord has good cause to believe that the Tenant may have damaged the dwelling unit or may be in violation of County, State, or Federal law. Any requests for service from Tenant will be construed to mean that permission to enter the unit has been granted for the purpose of making requested repairs.

c. During the last 60 (sixty) days of the term of this Lease or any extension thereof, Landlord/Agent may enter the premises to exhibit the same to other persons. Tenant agrees to cooperate with Landlord or his Agent in showing the property. Tenant is advised that on occasion he/she may be asked to exhibit the premises on less than twenty-four (24) hours' notice.

DEFAULT

19. a. In the event of any default, other than the default of failure to pay rent and late charges, hereunder or if the Landlord/Agent at any time deems the tenancy of the Tenant undesirable by reason of objectionable or improper conduct on the part of the Tenant, his/her family, employees, guests, or invitees by causing annoyance to neighbors or should the Tenant occupy the subject premises in violation of any rule, regulation or ordinance issued or promulgated by the Landlord/Agent, the Association identified in Paragraph 9 herein, any governmental rental authority, or any federal, state or local law, then and in any of said events; the Landlord/Agent will have the right to terminate this lease by giving to the Tenant personally or sending via first class mail thirty (30) day written notice to quit and vacate the premises containing in said notice the basis for the termination. However, if the breach of lease involves behavior by the Tenant, or by a person on the premises with the Tenant's consent, which demonstrates a clear and imminent danger of the Tenant or person doing serious harm to themselves, other tenants, the landlord, the landlord's property or representatives, or any

other person on the premises, the Landlord/Agent has the right to terminate this Lease by serving the Tenant with a fourteen (14) day written notice to quit and vacate the premises which contains the basis for the termination. Tenant may be served in person or by first class mail. At the expiration of said notice or any shorter period conferred under or by operation of law, the Landlord/Agent may use any remedy provided by law for the restitution of possession and the recovery of delinquent rent.

b. Failure to pay rent and late charges as specified herein will constitute a default. In the event of such a default, the Landlord/Agent may file a Complaint in the District Court for Failure to Pay Rent-Landlord's Complaint for Repossession of Rented Property.

COURT AWARDED LEGAL FEES

20. In an action by the Landlord to recover possession of the leased premises, including a non-payment of rent action, the Tenant is obligated to pay actual court costs, legal costs and attorney fees awarded by a court. If reasonable attorney's fees are awarded by the Court in a Failure to Pay Rent action, the attorney's fees are not part of the tenant's rent and need not be paid to redeem the premises. If the Tenant is the prevailing party and/or costs and attorney's fees are awarded by the court, the Landlord is obligated to pay those fees and costs.

WAIVER

21. Any waiver of a default hereunder is not to be deemed a waiver of this Agreement of any subsequent default. Acquiescence in a default does not operate as a waiver of such default, even though such acquiescence continues for any extended period of time.

TERMINATION-HOLD OVER

22. a. In the case of a periodic tenancy, where the lease does not contain a stated term (e.g., for one year) either Landlord/Agent or Tenant may terminate this Lease at the expiration of said Lease or any extension thereof by giving the other two (2) months' written notice of termination. This Lease will terminate on the last day of the second complete month following delivery of such notice. If Tenant holds over after the expiration of the term of this Lease, he/she will, in the absence of any written agreement to the contrary, become a Tenant from month to month at the monthly rate in effect during the last month of the expiring term. All other terms and provisions of this Lease shall remain in full force and effect.

b. Failure to vacate the premises after proper notice may result in the Tenant being held accountable for rent for the period of the holdover and for consequential damages due to an incoming Tenant's inability to enter the premises because of Tenant's holdover occupancy.

c. Tenant is responsible for the entire month's rent in the case of a hold over tenancy, although the tenant vacates prior to the end of the month.

SURRENDER OF PREMISES/MOVE-OUT INSPECTION

23. a. Tenant will, upon termination of this Lease, surrender the premises and all personal property of Landlord therein in good and clean condition, ordinary wear and tear excepted. Tenant will leave the premises in broom-clean condition, free of trash and debris, however, Tenant will not paint marks, plaster holes, crevices or cracks, or attempt any repair of the premises without Landlord/Agent's prior written consent. If such cleaning and removal of trash is not accomplished by the Tenant, or if the premises are not left in good and clean condition, then any action deemed necessary by the Landlord/Agent to accomplish same will be taken by the Landlord/Agent at the Tenant's expense. Upon vacating the premises, Tenant must deliver all keys to the Landlord/Agent within twenty-four (24) hours after vacating. Failure to comply will be cause to charge Tenant for changing locks.

b. Tenant has the right to be present at the time of inspection to determine if any damage has been done to the premises if Tenant notifies Landlord, by certified mail fifteen (15) days prior to Tenant's date of moving, of Tenant's intention to move, date of moving and new address. Upon receipt of notice, Landlord/Agent will notify Tenant by certified mail of the time and date when the premises are to be inspected. The inspection date will occur within five (5) days before or five (5) days after the date of moving as designated in Tenant's notice.

ABANDONED PROPERTY
24. Any personal property which is left on the premises for more than seven (7) days after termination of the tenancy will be considered to be abandoned and may, at the option of Landlord/ Agent, be disposed of at the Tenant's expense. Landlord/Agent is not liable to Tenant or any other person for the loss of property so abandoned.

DESTRUCTION
25. If the premises are rendered totally unfit for occupancy by fire, act of God, act of rioters or public enemies, or accident, the term of this Lease shall immediately cease upon the payment of rent apportioned to the day of such happening. If, however, the premises are only partially destroyed or damaged and Landlord decides to repair the same, such repairs will be made by Landlord without unreasonable delay, and Tenant may be entitled to a reduced rent while repairs are being made.

SUBORDINATION
26. This Lease is and will be subject and subordinate at all times to the lien of any mortgage(s) or deed(s) of trust now or hereafter covering the Premises and to all renewals, modifications, consolidations, replacements and/or extensions thereof. Tenant agrees to execute any documents required to effect such subordination.

The Tenant agrees to execute promptly any document(s) which the Landlord or lender(s) may request with respect thereto. In the event that the Tenant fails to do so within fifteen (15) days from date of receipt of the written request from the Landlord or the lender(s), the Landlord will have the right, and is hereby authorized to execute on behalf of the Tenant, any such document(s). Tenant agrees to become a Tenant to any subsequent owner of the Property.

ESTOPPEL CERTIFICATE
27. Tenant will, at any time and from time to time, upon not less than fifteen (15) days prior request by Landlord, execute, acknowledge and deliver to Landlord a statement in writing, executed by Tenant, certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and setting forth such modifications) and the dates to which the additional rent and other sums payable hereunder have been paid, and (b) that there is no existing default hereunder or specifying each such default of which the signer may have knowledge and (c) that Tenant does not have any actual or pending claim against Landlord.

EVICTION ASSISTANCE
28. When giving Tenant a notice of past-due rent, issuing a written quit and vacate notice, or beginning any judicial proceeding to regain the lease premises, the Landlord must notify the Tenant that general information and assistance regarding evictions is available from the Montgomery County Department of Housing and Community Affairs, Office of Landlord-Tenant Affairs, 100 Maryland Avenue, 4th Floor, Rockville, Maryland 20850, (240) 777-3600.

MANAGEMENT
29. These premises will be managed by _____ (Owner/Agent). In the event Agent is acting in the capacity of rental agent solely to procure a Tenant, it is understood that all payments hereunder made to Agent will be transferred to Owner and that Agent is acting as a conduit of funds. Accordingly, Owner and Tenant agree that Agent is not liable or responsible for the funds after they are transferred to Owner. Owner will abide by the terms of Paragraph 3 of this Lease Agreement regarding the Security Deposit. Tenant and Owner agree that Agent is not liable for any violations or breach by Owner or Tenant of the terms of this Lease or applicable State, County, or local laws.

RETALIATORY EVICTION
30. a. No retaliatory action will be taken by the Landlord/Agent for any complaints made by the Tenant to any public agency, or for any law suit filed by the tenant against the Landlord/Agent or any other attempts by Tenant to enforce the terms of this Lease, or applicable laws, including membership in a tenants' association.

b. The Landlord must not actually or constructively evict or attempt to evict a Tenant from, or deny a tenant access to, the dwelling unit occupied by the Tenant without following the judicial process authorized in state law to obtain possession of the dwelling unit.

CANCELLATION BY TENANT IN INITIAL TERM
31. **Reasonable cause beyond Tenant's control.** The initial term of this Lease may be terminated upon thirty (30)

days written notice issued to Landlord/Agent due to involuntary change of employment from the Washington-Metropolitan Area, death of major wage earner, unemployment, or for any other reasonable cause beyond Tenant's control. Tenant will provide Landlord/Agent with written proof of such involuntary change in employment of greater than 25 miles from the Washington-Metropolitan Area. If death of major wage earner, unemployment, or other reasonable cause beyond Tenant's control is claimed, Tenant will specify the specific cause(s) in writing to Landlord/Agent and will include appropriate documentation thereof. If reasonable cause beyond Tenant's control is claimed other than death of major wage earner or unemployment, Landlord/Agent may verify and accept or reject such claim. In the event of termination under this covenant, Tenant may be liable for a reasonable termination charge not to exceed the equivalent of one (1) month's rent at the rate in effect as of the termination, or the actual damages sustained by the Landlord, whichever is the lesser amount. The termination charge is to be in addition to the total rent due and owing through said termination date.

REQUIRED LICENSES

32. The Landlord/Agent affirms that the rental facility is licensed in accordance with Montgomery County law. A copy of any required license for the rental facility, issued by Montgomery County, Maryland or any other governmental agency, must be displayed in the lobby, vestibule, rental office or other prominent public place on the premises.

RENT INCREASES

33. a. **Frequency and Amount.** After the initial term of this Agreement expires, rent may not be increased more than once per twelve (12) month period.

b. **Notice.** Two (2) months' prior to the rent increase, written notice must be mailed to Tenant at Tenant's last known address. This notice may also serve as a notice to quit and vacate the premises in the event Tenant does not agree to pay the rent increase **if** such language is included in the notice. In the event Tenant fails to pay the increased rent and holds over beyond the period specified in the quit and vacate notice, Landlord may file suit to evict Tenant. The amount of rent due during this hold over period will be the increased rent. Tenant's timely payment of the increased rent will convert the tenancy month to month. If Tenant declines to accept the adjusted rent and intends to vacate the premises at the end of the initial term or any extension thereof, Tenant must provide one month's written notice to the Landlord/Agent of Tenant's intention to vacate.

c. **Each written rent increase notice must contain the following:**

(1) The amount of monthly rent immediately preceding the effective date of the proposed increase (old rent), the amount of monthly rent proposed immediately after the rent increase takes effect (new rent), and the percentage increase of monthly rent.

(2) The effective date of the proposed increase.

(3) The applicable rent increase guideline issued under section 29-53 of the Montgomery County Code.

(4) A notice that the tenant may ask the Department to review any rent increase that the tenant considers excessive.

(5) Other information as the landlord deems useful in explaining the rent increase.

MISCELLANEOUS

34. a. Tenant acknowledges that, if requested, Tenant did receive prior to this Lease execution a copy of the proposed form of Lease in writing, complete in every material detail, except for the date, the name and address of the tenant, the designation of the premises, and the rental rate without requiring execution of the Lease or any prior deposit.

b. If this Lease contains a Lease Option Agreement, then it must state: THIS IS NOT A CONTRACT TO BUY.

c. The conditions and agreements contained herein are binding on and are legally enforceable by the parties hereto, their heirs personal representatives, executors, administrators, successors and assigns, respectively, and no waiver of any breach of any condition or agreement contained herein will be construed to be a waiver of the condition or agreement of any subsequent breach thereof or of this Lease.

d. Tenant acknowledges that the statements and representations made in the signed application for said premises are true; that said statements have induced Landlord/Agent to enter into this Lease; that they are deemed a part of this Lease; and that the falsity of any of them constitutes a breach hereof and entitles the Landlord/Agent to the same relief as a breach of any other covenant or condition contained herein.

e. This Lease contains the final and entire agreement between the parties hereto, and neither they nor their agents are bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained. This Lease Agreement has been executed in duplicate and the Tenant acknowledges that a copy was delivered to him/her at the time the Lease was fully executed.

f. It is understood and agreed by the parties hereto that if any part, term, or provision of this Lease is by the courts held to be illegal or in conflict with any law of the state or county where made, the validity of the remaining portions or provisions are not affected, and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular part, term, or provision held to be invalid.

g. Feminine or neuter pronouns will be substituted for those of masculine form, and the plural will be substituted for the singular number in any place or places herein in which the context may require such substitution. Tenant expressly warrants that he/she is of legal age and acknowledges that this warranty is being made for the purpose of inducing Landlord/Agent to lease the premises aforementioned.

h. The paragraph headings appearing in this Lease have been inserted for the purpose of convenience and ready reference only. They do not define, limit or extend the scope or intent of the paragraphs to which they appertain.

MILITARY CLAUSE

35. In the event Tenant is a member of or subsequently enlists into, the Army, Navy, Air Force, Marine Corps, Coast Guard or member of the National Guard under call to active service authorized by the President of the United States or Secretary of Defense for more than 30 consecutive days for purpose of responding to a national emergency, declared by the President and supported by Federal funds and if Tenant subsequently receives permanent change of station orders or temporary change of station orders for 90 days or more, including release from military service. Tenant may terminate the lease upon delivering written notice to the Landlord/Agent with proof of his/her assignment. Written notice is effective upon personal delivery, delivery by private business carrier or by placing the written notice in the mail, with return receipt requested. Termination will be effective 30 days after the first date on which the next rental payment is due and payable after the date on which the notice is delivered in the case of a month to month tenancy. For any other tenancy, termination is effective on the last day of the month following the month in which the notice is delivered. The Tenant must pay rent through the effective date of termination, on a prorated basis. Tenant is also responsible for the cost of repairing damage to the premises caused by the tenant, if any. This clause also applies to those persons who receive orders releasing them from military service. The Landlord/Agent will refund the security deposit less deductions for unpaid rent and damages, if any, within 30 days of the date of termination. These provisions apply as well to dependents of tenants who are members of military service at the time a lease is signed or who subsequently enlists into the military service.

TWO-YEAR LEASE OFFER

36. Montgomery County law requires landlords, unless there is a reasonable cause otherwise, to offer all prospective tenants lease agreements for initial terms of two (2) years. Such an offer may be accepted at the option of the prospective tenant. Prior to entering this lease, the tenant hereby acknowledges that: (initial and date one of the following options)

_____ _____ a. I was offered and accepted a two-year lease term by the landlord.

_____ _____ b. I was offered but rejected a two-year lease term by the landlord.

_____ _____ c. I received a copy of a written statement in which the landlord asserts and explains a reasonable cause for failing to offer me a two-year initial lease term and was advised of my rights to challenge such statement by filing a complaint with the Montgomery County Commission on Landlord-Tenant Affairs, 100 Maryland Avenue, 4th Floor, Rockville, Maryland 20850, (240) 777-3600.

NOTICE AND SERVICE OF PROCESS

37. Unless otherwise designated as required by law, the names, addresses and telephone numbers of the Landlord and Agent are set forth below. Notice to and service upon the agent shall constitute notice to and service upon the Landlord. In the event that the Landlord/Agent changes address, the Landlord/Agent must notify the Tenant within 10 days of the change. Whenever the ownership of the rental property changes hands, the transferor must notify the Tenant of the name, address and office location of the transferee within 10 days of the change. If the transferee is a corporation, the transferor must list the name and address of the resident agent of the corporation.

RECEIPTS

38. Landlord/Agent agrees to provide to the Tenant a written receipt for payment of rent if the Tenant pays with cash or a money order or, if payment is not in cash or with money order, upon Tenant's request for a receipt. This Lease shall serve as a receipt for the aforementioned security deposit.

EMERGENCY NUMBER

39. In the event of an emergency affecting the health, safety, or welfare of the Tenant or any property thereof, the Tenant may contact the Landlord, or its agent, at any time by calling the following emergency number:

_____.

NOTICES

40. Where property is leased to more than one Tenant, any written notice required under the terms of this Lease may be given only by _____ ***(authorized tenant)***. All Tenants agree that such notices given or received apply, with equal force, to all Tenants, authorized occupants and, if applicable, co-signers and subtenants. Any written notice required under the terms of this Lease shall be given by Landlord/Agent to authorized tenant. Any notice, other than any notice regarding the final move-out inspection, is effective upon hand delivery or upon deposit into the U.S. Postal Service, first-class postage prepaid.

ADDITIONAL PROVISIONS

41. Further Provisions and Additions:_____

_____

_____

ADDENDUM ATTACHED

42. ☐ No ☐ Yes Number of Pages _____

IN WITNESS WHEREOF, the parties hereto agree to abide by all of the terms and conditions in this lease agreement.

LANDLORD/OWNER:

Name and Signature **Date**

Street

City **State** **Zip Code**

( )

Telephone #

( )

Emergency Telephone #

AGENT:

Name and Signature **Date**

Street

City **State** **Zip Code**

( )

Telephone #

( )

Emergency Telephone #

TENANT(S):

Name **Signature** **Date**

Name **Signature** **Date**

Name **Signature** **Date**

Name **Signature** **Date**

_____

Name of Property

ADDENDUM TO LEASE

Landlord: _____ **Tenant(s):** _____

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and lead-based paint hazards in the dwelling. Residents must also receive a Federally and State approved pamphlet on lead poisoning prevention and the Maryland State pamphlet on tenant's rights.

Landlord's Disclosure (*initial*)

_____ (a) Presence of lead-based paint or lead-based paint hazards (*check one below*):

- ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing. Explain.

  _____

  _____

- ☐ Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

_____ (b) Records and repairs available to the Landlord (*check one below*):

- ☐ Landlord has provided the Tenant with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards that are present in the housing (*list documents below*)
- ☐ Landlord has no reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Tenant's Acknowledgment (*initial*)

_____ (c) Tenant has received copies of all information listed above.

_____ (d) Tenant has received the pamphlet *Protect Your Family from Lead in Your Home.*

_____ (e) Tenant has received the pamphlet ***Notice of Tenant's Rights***, pursuant to § 6-823 (Envir.), Annotated Code of Maryland, 1996.

Agent's Acknowledgment (*initial*)

_____ (f) Agent has informed the Landlord of the Landlord's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

LANDLORD(S):

Landlord **Date**	**Landlord** **Date**

TENANT(S):

Tenant **Date**	**Tenant** **Date**
Tenant **Date**	**Tenant** **Date**

AGENT(S):

Agent **Date**	**Agent** **Date**

SECURITY DEPOSITS

A security deposit is any money, including a pet cleaning deposit or payment of the last month's rent, taken by a landlord, in advance of the time it is due, to protect the landlord against damage caused by tenants, guests, or invitees, non-payment of rent, and/or damages incurred by the landlord if the tenant breaches the lease. The total amount of the security deposit cannot exceed the equivalent of two months' rent. If a landlord charges more than this amount, the tenant may recover up to three times the excess amount charged, plus reasonable attorney's fees.

The landlord must give the tenant a written receipt for payment of a security deposit. The receipt must inform the tenant of his/her rights under Section 8-203.1 of the Real Property Article, Annotated Code of Maryland, 1999, as amended *(See Maryland Security Deposit Law below)*. The receipt may be incorporated into the written lease agreement. If the landlord fails to provide a receipt for the security deposit, the landlord is liable to the tenant for a $25.00 penalty. The landlord is required to retain a copy of the security deposit receipt for a period of two years after the end of the tenancy.

The receipt for payment of the security deposit must contain a notice informing the tenant of the following:

- The right to have the rental property inspected by the landlord in the tenant's presence for the purpose of making a written list of damages that exist at the beginning of the tenancy. This request for an inspection must be done by *certified mail* within 15 days of the tenant's occupancy;

- The right to be present for a final walk-through inspection of the rental property if the tenant notifies the landlord by *certified mail* at least 15 days before the date of the intended move. This notice must contain the intended move-out date and the tenant's new address. The landlord is obligated to conduct this inspection within five days before or after the tenant's intended move out date. The landlord is obligated to notify the tenant in writing by *certified mail* of the date of the inspection;

- The tenant's right to receive, within 45 days after the termination of the tenancy, by first class mail, delivered to the last known address of the tenant, a written list of the charges against the security deposit claimed by the landlord along with the actual costs incurred to repair any damages;

- The landlord's obligation to return any unused portion of the security deposit by first class mail, to the tenant's last known address, within 45 days after the termination of the tenancy; and

- A statement that the landlord's failure to comply with the security deposit law may result in the landlord's being liable to the tenant for a penalty of up to three times the amount withheld from the security deposit plus reasonable attorney's fees.

It is strongly recommended that both parties conduct an inspection of the rental property prior to move-in and compile a written list of any damages. This inspection will help to document

pre-existing damages and may prevent misunderstandings regarding who is responsible for damage at the time of move out *(See Appendix IV, Inspection Report).*

MAINTENANCE OF SECURITY DEPOSITS

The landlord must place the security deposit in a federally insured financial institution that does business in the State of Maryland. The security deposit must be maintained in a branch of the financial institution located in the state. The account is to be devoted exclusively to security deposits and must bear interest. The landlord may deposit the security deposit in insured certificates of deposit or in securities issued by the federal government or the State of Maryland. The deposit must be made within 30 days of receipt and maintained throughout the tenancy.

INTEREST ON THE SECURITY DEPOSIT

Security deposits began earning interest effective July 1, 1972. All security deposits received between July 1, 1972, and June 30, 1980, accrued interest at a rate of 3% per year. All security deposits received between July 1, 1980 and September 30, 2004, accrue interest at a rate of 4% simple interest per year. Effective October 1, 2004, all security deposits received or held on or after that date will accrue interest at a rate of 3% simple interest per year.

Interest on a security deposit:

- Is only required on deposits of $50 or more.
- As of October 1, 2004, is 3% simple interest per year, which accrues in six month intervals as follows:

0 - 5 months = 0%	18 - 23 months = 4.5%
6 - 11 months = 1.5%	24 - 29 months = 6%
12 - 17 months = 3%	30 - 35 months = 7.5%, etc.

Example: Deposit held 10/01/03—9/30/05 accrues as follows:

10-01-03—9/30/04	4%		
10/01/04—9/30/05	3%	Total	7%

A $500.00 security deposit held for 24 months (after 10/01/04) accrues 6% interest: $500 x .06= $30, Total security deposit plus interest = $530.00.

INSPECTION

When a tenant vacates a rental property, the landlord is strongly encouraged to inspect the property for damage. If a tenant wishes to be present for this inspection, the tenant must send a written notice to the landlord. The notice must:

- Be sent by certified mail;
- Be sent to the landlord at least 15 days before the move-out date;
- State the move-out date; and,
- Include the tenant's new address.

The landlord must respond to the tenant in writing, via certified mail, advising the tenant of the date and time of the inspection. The landlord must schedule the inspection within 5 days before, or 5 days after, the move-out date given by the tenant.

It is strongly recommended that tenants exercise this right so that both parties are present when the inspection takes place to determine if any damage beyond normal wear and tear has occurred. This inspection will create a written inspection report, detailing the condition of the property. We recommend that both parties take photographs of the rental property as well. Prepare this inspection report even if no damage is noted. The inspection report is to be signed by both parties *(See Appendix IV- Inspection Report).*

RETURN OF THE SECURITY DEPOSIT

The most common disagreement between landlords and tenants involves the refund of the tenant's security deposit after the end of the tenancy. State law specifies procedures that the landlord must follow for refunding, using and accounting for the security deposit.

- If no damage is claimed by the landlord, the security deposit, plus any accrued interest, must be returned to the tenant, at his/her last known address, within 45 days after the termination of the tenancy.
- A landlord may withhold all or part of the security deposit, for unpaid rent, actual cost incurred to repair damage in excess of normal wear and tear, to the property caused by the tenant, or for other actual costs incurred by the landlord if the tenant has breached the lease agreement.
- If the landlord withholds any portion of the security deposit, the landlord must send a written notice of the deductions to the tenant. This itemized list must:

  - ▶ Be sent by *first class* mail to the last known address of the tenant. If the tenant does not provide a forwarding address, the address of the rental property is to be used;
  - ▶ Be sent within 45 days from the end of the tenancy; and
  - ▶ Contain a written list of the damages claimed and a statement of the costs actually incurred, including damages incurred from breach of lease.

- If the landlord fails to comply with these requirements, the landlord forfeits the right to retain any portion of the security deposit.
- In the event a rental property is sold while a tenant still occupies it, any security deposits taken are transferred to the new owner and he/she must comply with all of the requirements regarding the return of the security deposit.
- If a tenant breaches the lease agreement by moving prematurely, he/she must write to the landlord and request his security deposit within 45 days after vacating the rental property in order to preserve his/her rights under the security deposit law. Absent a written request, the landlord is not obligated to comply with the 45 day timeline.

MARYLAND SECURITY DEPOSIT LAW

Annotated Code of Maryland, Real Property Article, 1999 as amended

§ 8-203. Security deposits.

(a) *Definitions.*- (1) In this section the following words have the meanings indicated.

(2) "Landlord" mean a landlord or a prospective landlord.

(3) "Security deposit" means any payment of money, including payment of the last month's rent in advance of the time it is due, given to a landlord by a tenant in order to protect the landlord against nonpayment of rent, damage due to breach of lease, or damage to the leased premises, common areas, major appliances, and furnishings.

(4) "Tenant" means a tenant or a prospective tenant.

(b) *Maximum amount..*— (1) A landlord may not impose a security deposit in excess of the equivalent of two months' rent per rental property, regardless of the number of tenants.

(2) If a landlord charges more than the equivalent of two months' rent per rental property as a security deposit, the tenant may recover up to threefold the extra amount charged, plus reasonable attorney's fees.

(3) An action under this section may be brought at any time during the tenancy or within two years after its termination.

(c) *Receipt..*—The landlord shall give the tenant a receipt for the security deposit as specified in Section 8-203.1 of this subtitle. The receipt may be included in a written lease.

(d) *Maintenance of accounts or certificates of deposit in financial institutions; sale or transfer of landlord's interest.*—(1)(i) The landlord shall maintain all security deposits in federally insured financial institutions, as defined in §1-1-1 of the Financial Institutions Article, which do business in the State.

(ii) Security deposit accounts shall be maintained in branches of the financial institutions which are located within the State and the accounts shall be devoted exclusively to security deposits and bear interest.

(iii) A security deposit shall be deposited in an account within 30 days after the landlord receives it.

(iv) The aggregate amount of the accounts shall be sufficient in amount to equal all security deposits for which the landlord is liable

(2)(i) In lieu of the accounts described in paragraph (1) of this subsection, the landlord may hold the security deposits in insured certificates of deposit at branches of federally insured financial institutions, as defined in §1-101 of the Financial Institutions Article, located in the state or in securities issued by the Federal government or the State of Maryland.

(ii) In the aggregate certificates of deposit or securities shall be sufficient in amount to equal all security deposits for which the landlord is liable.

(3) In the event of sale or transfer of the landlord's interest in the leased premises, including receivership or bankruptcy- the landlord or the landlord's estate, but not the managing agent or court appointed receiver, shall remain liable to the tenant and the transferee for maintenance of the security deposit as required by law, and the withholding and return of security deposit plus interest as required by law, as to all or any portion of the security deposit that the landlord fails to deliver to the transferee together with an accounting showing the amount and date of the original deposit, the records of the interest rates applicable to the security deposit, if any, the name and last known address of the tenant from whom or on whose behalf the deposit was received.

(4) Any successor in interest is liable to the tenant for failure to return the security deposit, together with interest, as provided in this section.

(e) *Return of deposit to tenant; interest.*—(1) Within 45 days after the end of the tenancy, the landlord shall return the security deposit to the tenant together with simple interest which has accrued in the amount of 3 percent per annum, less any damages rightfully withheld.

(2) Interest shall accrue at six-month intervals from the day the tenant gives the landlord the security deposit. Interest is not compounded.

(3) Interest shall be payable only on security deposits of $50 or more.

(4) If the landlord, without a reasonable basis, fails to return any part of the security deposit, plus accrued interest, within 45 days after the termination of the tenancy, the tenant has an action of up to threefold of the withheld amount, plus reasonable attorney's fees.

(f) *Withholding of deposit—Generally; tenant's right to be present at inspection of premises.*—(1)(i) The security deposit, or any portion thereof, may be withheld for unpaid rent, damage due to breach of lease or for damage by the tenant or the tenant's family, agents, employees, guests or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, and furnishings owned by the landlord.

(ii) The tenant has the right to be present when the landlord or the landlord's agent inspects the premises in order to determine if any damage was done to the premises, if the tenant notifies the landlord by mail of the tenant's intention to move, the date of moving, and the tenant's new address.

(iii) The notice to be furnished by the tenant to the landlord shall be mailed at least 15 days prior to the date of moving.

(iv) Upon receipt of the notice, the landlord shall notify the tenant by mail of the time and date when the premises are to be inspected.

(v) The date of inspection shall occur within five days before or five days after the date of moving as designated in the tenant's notice.

(vi) The tenant shall be advised of the tenant's rights under this subsection in writing at the time of the tenant's payment of the security deposit.

(vii) Failure by the landlord to comply with this requirement forfeits the right of the landlord to withhold any part of the security deposit for damages.

(2) The security deposit is not liquidated damages and may not be forfeited to the landlord for breach of the rental agreement, except in the amount that the landlord is actually damaged by the breach.

(3) In calculating damages for lost future rents any amount of rents received by the landlord for the premises during the remainder if any, of the tenant's term, shall reduce the damages by a like amount.

(g) *Same—Notice to tenant.*—(1) If any portion of the security deposit is withheld, the landlord shall present by first-class mail directed to the last known address of the tenant, within 45 days after the termination of the tenancy, a written list of the damages claimed under subsection (f) (1) of this section together with a statement of the cost actually incurred.

(2) If the landlord fails to comply with this requirement, the landlord forfeits the right to withhold any part of the security deposit for damages.

(h) Tenant ejected or evicted or abandoning premises.—(1) The provisions of subsections (e)(1) and (4) and (g) (1) and (2) of this section are inapplicable to a tenant who has been evicted or ejected for breach of a condition or covenant of a lease prior to the termination of the tenancy or who has abandoned the premises prior to the termination of the tenancy.

(2)(i) A tenant specified in paragraph (1) of this subsection may demand return of the security deposit by giving written notice by first-class mail to the landlord within 45 days of being evicted or ejected or of abandoning the premises.

(ii) The notice shall specify the tenant's new address.

(iii) The landlord, within 45 days of receipt of such notice, shall present, by first-class mail to the tenant, a written list of the damages claimed under subsection (f)(1) of this section together with a statement of the costs actually incurred and shall return to the tenant the security deposit together with simple interest which has accrued in the amount of 3 percent per annum, less any damages rightfully withheld.

(3)(i) If a landlord fails to send the list of damages required by paragraph (2) of this subsection, the right to withhold any part of the security deposit for damages is forfeited.

(ii) If a landlord fails to return the security deposit as required by paragraph (2) of this subsection, the tenant has an action of up to threefold of the withheld amount, plus reasonable attorney's fees.

(4) Except to the extent specified, this subsection may not be interpreted to alter the landlord's duties under subsections (e) and (g) of this section.

(i) *No waiver of section's provisions.*—No provision of this section may be waived in any lease.

§ 8-203.1 Security deposit receipt

(a) *Contents.*—A receipt for a security deposit shall notify the tenant of the following: (1) The right to have the rental property inspected by the landlord in the tenant's presence for the purpose of making a written list of damages that exist at the commencement of the tenancy if the tenant so requests by certified mail within 15 days of the tenant's occupancy;

(2) The right to be present when the landlord inspects the premises at the end of the tenancy in order to determine if any damage was done to the premises if the tenant notifies the landlord by certified mail at least 15 days prior to the date of the tenant's intended move, of the tenant's intention to move, the date of moving, and the tenant's new address;

(3) The landlord's obligation to conduct the inspection within 5 days before or after the tenant's stated date of intended moving;

(4) The landlord's obligation to notify the tenant in writing of the date of the inspection;

(5) The tenant's right to receive, by first class mail, delivered to the last known address of the tenant, a written list of the charges against the security deposit claimed by the landlord and the actual costs, within 45 days after the termination of the tenancy;

(6) The obligation of the landlord to return any unused portion of the security deposit, by first class mail, addressed to the tenant's last known address within 45 days after the termination of the tenancy; and

(7) A statement that failure of the landlord to comply with the security deposit law may result in the landlord being liable to the tenant for a penalty of up to 3 times the security deposit withheld, plus reasonable attorney's fees.

(b) *Retention for 2 years.*—The landlord shall retain a copy of the receipt for a period of 2 years after the termination of the tenancy, abandonment of the premises, or eviction of the tenant, as the case may be.

(c) *Landlord penalty.*—The landlord shall be liable to the tenant in the sum of $25 if the landlord fails to provide a written receipt for the security deposit.

29-53. Voluntary rent guidelines; review of rent increases.

(a) The County Executive must issue annual voluntary rent increase guidelines not later than March 1 of each year. The Executive must publish the guidelines in the County Register.

(b) The guidelines must be based on the increase or decrease in the residential rent component of the Consumer Price Index for all urban consumers for the Washington-Baltimore metropolitan area, or any successor index, for the preceding calendar year.

(c) The Department should encourage landlords to hold rent increases at the lowest level possible. The Department may review any rent increase that appears to be excessive and encourage the landlord to reduce, modify, or postpone the increase. (2000 L.M.C., ch. 32, § 1)

Editor's note—Former Sections 29-53—29-55 were deleted as they expired at 12:00 midnight on January 31, 1981, as provided in former section 29-54(c).

Sec. 29-54. Rent adjustments; notice requirements.

(a) A landlord must not increase the rent until 2 months after the landlord gives the tenant written notice of the increase. A landlord must not impose more than one rent increase on a tenant in any 12-month period. Each written rent increase notice must contain the following information:

(1) The amount of monthly rent immediately preceding the effective date of the proposed increase (old rent), the amount of monthly rent proposed immediately after the rent increase takes effect (new rent), and the percentage increase of monthly rent.

(2) The effective date of the proposed increase.

(3) The applicable rent increase guideline issued under Section 29-53.

(4) A notice that the tenant may ask the Department to review any rent increase that the tenant considers excessive.

(5) Other information that the landlord deems useful in explaining the rent increase.

An otherwise valid notice of a rent increase is not invalid because the notice contained an incorrect rent increase guideline number if the landlord reasonably believed that the number was correct.

(b) Written notice may be delivered to the tenant by any reasonable means. However, a notice has not been delivered unless the notice is mailed via the United States Postal Service to the tenant's dwelling unit, or unless a signed receipt is obtained from the tenant or the tenant's representative. If the tenant is notified by mail, other than registered or certified mail, the landlord must certify, by affidavit dated at the time of mailing, that the landlord has mailed the notice. The landlord must retain a copy of the affidavit in the landlord's records.

(c) For the purposes of these notice requirements, the day after the postmark date is the date of delivery if the notice was delivered to the proper person by U.S. mail. If any notice is sent by U.S. certified or registered mail, the receipt or registration is presumptive evidence that the notice was delivered to the party to which addressed, and the date of the receipt or registration is the postmark date.

(d) When the last day for performing any act prescribed under this Chapter falls on a Saturday, Sunday or legal holiday, the performance of that act is timely if it is performed on the next day that is not a Saturday, Sunday or legal holiday. (1978 L.M.C., ch. 12, § 1; 1979 L.M.C., ch. 56, § 7; 1980 L.M.C., ch. 53, § 1; 1996 L.M.C., ch. 13, § 1; 2000 L.M.C., ch. 32, § 1.)

Editor's note—Section 29-54, formerly § 29-56, was renumbered, amended, and retitled pursuant to 2000 L.M.C., ch. 32, § 1. Former Section 29-56 [formerly Chapter 93A, which concerned rent control guidelines] is cited in Lawrence N. Brandt, Inc. v. Montgomery County Commission on Landlord-Tenant Affairs, 39 Md.App. 147, 383 A.2d 688 (1978).

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

February 1, 2012

Dear Owner/Manager:

This month marks the twenty-ninth year since the expiration of rent controls in Montgomery County. The Voluntary Rent Guideline system in place over these years has helped both government and the real estate industry relate inflationary pressures to rent increases in this region.

The figures from the U.S. Department of Labor on which the Voluntary Rent Guidelines are based show the increase in the rent component of the Consumer Price Index for 2011 for the Washington Metropolitan area to be 2.8 percent. Based on that information, the Voluntary Rent Guideline for Montgomery County will be set at 2.8 percent.

I realize there are extraordinary pressures on landlords during these difficult economic times, but there are also extraordinary pressures on renters. I hear from them frequently concerning rent increases.

Your cooperation in keeping rent increases moderate and within the guidelines is appreciated. Please direct any questions or observations that you may have about the Guideline to the Office of Landlord-Tenant Affairs, Division of Housing, Department of Housing and Community Affairs, at 240-777-0311.

Sincerely,

Isiah Leggett
County Executive

IL:jgs

Montgomery County Voluntary Rent Guidelines

YEAR	RECOMMENDED AMOUNT
2012	2.8%
2011	2.0%
2010	2.8%
2009	4.4%
2008	3.1%
2007	5.8%
2006	4.4%
2005	3.7%
2004	4.5%
2003	5.4%
2002	4.7%
2001	5.1%
2000	3.2%
1999	3.5%
1998	0.6%
1997	1.6%
1996	2.5%
1995	2.3%
1994	2.3%
1993	2.3%
1992	3.9%
1991	4.6%
1990	5.1%
1989	5.1%
1988	5.1%
1987	4.6%
1986	5.6%
1985	5.6%

1984	7.1%
1983	8.5%

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RENT INCREASES ---- TIPS FOR TENANTS

In an attempt to provide landlords and tenants with information regarding rent increases, the County has, since 1982, issued an annual Voluntary Rent Guideline. This guideline represents the increased operating costs incurred by a landlord as determined by the rent component of the Consumer Price Index for the Washington Metropolitan Area. The Voluntary Rent Guideline is issued once every year.

Montgomery County also has regulations concerning the issuance of rent increases; they can only be issued once every 12 months and the rent increase notice from the landlord to the tenant must contain certain elements in order for the rent increase to be legal—see pages 20 and 21 of the Landlord-Tenant Handbook—A recent Decision and Order by the Montgomery County Landlord-Tenant Commission (Case # 13286 Colespring Plaza Tenant Association vs Plaza Apartments L.L.C. Part I and Part II) enforced these provisions. This Office encourages tenants to communicate their concerns to their landlords and attempt, if they think the rent increase is excessive or if they will have difficulty in paying the increase, to negotiate a rent reduction.

In preparation for such a negotiation, tenants may want to research the following:

1)determine the market rate rent for a unit comparable to your unit for a new tenant—this will give you a context within which to place the rent increase.

2) Call other apartment complexes in the area to determine their monthly rent so you can compare rents among apartment complexes;

3) if you have been a long term tenant with a good track record consider the landlord's perspective; it does cost money to turn a unit over to another tenant—there are advertising costs, potential lost rent between tenancies, and most of all as a tenant with a proven track record your continued and uninterrupted tenancy is important to the landlord. If you decide to move and the unit needs to be relet, they are taking a chance because a new tenant may not be as desirable a tenant as you are. Discuss these issues with the management staff and if they are not empowered to make exceptions to the rent increase, find out to whom you may speak.

Rent Stabilization Allowance (Annual Rent Increase) 3.0%

Effective July 1, 2011 through June 30, 2012

The Takoma Park's law (*City Code Chapter 6.20 Rent Stabilization*) maintains the affordability of rental units in the community by limiting the number and amount of rent increases that may be charged for a specific rental unit. Generally the rent may be increased only once in a given 12 month period and rent increases are limited to the annual increase in the Consumer Price Index. The rent stabilization allowance is calculated on an annual basis and applies to all licensed multi-family rental facilities and to all licensed condominium units.

The 2011-2012 Rent Stabilization Allowance is 3.0% and will be in effect beginning July 1, 2011 through June 30, 2012. Landlords required to comply with Takoma Park's Rent Stabilization law cannot increase the rent on occupied units any higher than this allowance. A two-month written notice of any rent increase is required *(City Code Chapter 6.20.060 Annual Rent Increases)*.

Multi-family rental properties and all licensed condominium units are subject to Takoma Park's Rent Stabilization law. However, the following units may be exempt, upon application to the City, from many of the requirements of the law. The exemption is not automatic and is subject to the approval of the City.

- Any two-unit rental facility where one of the units is the owner's principal residence;
- Rental units leased to tenants under the Housing Choice Voucher Program;
- Any rental facility where the rents are regulated, under contract, by a governmental entity; and
- Newly constructed rental units for a period of five years after construction.

For more information about the requirements of Takoma Park's Rent Stabilization law, please contact Ms. Jean Kerr at jeank@takomagov.org or (301) 891-7216.