



# MONTGOMERY HOUSING ALLIANCE

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*A coalition of organizations focused on increasing the rate of preservation and development of affordable housing in Montgomery County*

**Testimony on Bill 15-23, Landlord-Tenant Relations – Anti Rent Gouging Protections and  
Bill 16-23, Landlord-Tenant Relations – Rent Stabilization (The HOME Act)**  
Montgomery Housing Alliance

March 28, 2023

Good evening Council President Glass and members of the Council. My name is Mary Kolar, and I am testifying on behalf of Montgomery Housing Alliance (MHA), a county-wide coalition of affordable housing providers and advocates across the housing spectrum.

As you consider Bill 15-23 and Bill 16-23, we urge that any action you take to protect tenants, address cost burden, and prevent potential displacement include several first principles to ensure effectiveness and sustainability. These include:

- Preventing sudden and severe rent increases;
- Providing significant funds for targeted rental assistance;
- Avoiding potential loopholes and unintended effects;
- Ensuring necessary administration, oversight, and enforcement; and adequate resources for administration;
- Recognizing the impact on small landlords; and
- Clarifying language surrounding exemptions of affordable housing.

As we stated in testimony last year, MHA supports efforts to prevent sudden extreme rent increases that amount to rent gouging. These kinds of increases are destabilizing for many renter households who cannot absorb double-digit rent increases and should not have to face potential displacement or other dire choices simply for the excess profit of bad actors. In many cases, however, rather than being exploitative, modest increases are an important tool for landlords to meet increasing costs and adequately maintain a property.

That being said, there are some households who cannot sustain even the modest increases that are a necessary aspect of operating a rental property. Currently, 20,000 households in Montgomery County are severely cost burdened, spending over half their incomes on housing costs. These families already must make impossible choices between paying for housing and paying for other critical priorities like education, health care, and reliable transportation, and even necessary rent increases are untenable for them. It is therefore imperative that any measure to prevent severe rent increases includes targeted rental subsidies to support low-



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income households, and that the scope of funding is adequate to meet the need, and is not a one-time investment, but a sustained program.

It is fundamental that before passing any legislation on rents, the Council carefully considers, and works to minimize, potential loopholes and unintended consequences, for example a cooling effect on long-term investment in the county or incentives for vacancy decontrol. As you know, the county must add over 40,000 new homes, including a significant amount of affordable rental housing, over the next decade. Tenant protection against exploitative increases must be enacted in a way that does not drive development that would otherwise occur in Montgomery County to neighboring jurisdictions. It is also critical to ensure that landlords are not motivated to keep units vacant in order to claim hardship and receive waivers, or to vacate occupied units through non-renewal of leases, deferred maintenance, or even harassment in order to benefit from vacancy decontrol.

Any action the Council takes must also consider the appropriate model for program oversight and enforcement, and include significant resources for administration, including program infrastructure, staffing, and tenant and landlord education.

Additionally, we urge you to clarify language around included exemptions, particularly an exemption for properties participating in affordable housing assistance programs which have pre-existing rent regulations, such as the Low Income Housing Tax Credit program. Language focused only on non-profits may unintentionally exclude otherwise eligible properties that, for financing or other reasons, have alternative ownership structures.

Lastly, we urge you to partner any action to restrict untenable rent increases with robust investment in the Housing Initiative Fund. Tenant protections and funding for affordable housing development are both necessary tools to address the harmful effects of cost burden and the potential displacement of members of our community. As we increase the rate of available affordable homes, we will reduce the number of families who are vulnerable to the destabilization caused by unsustainable rent increases.

Thank you for the opportunity to provide input as you consider this matter. We look forward to providing more feedback and working with the Council as you determine the best course of action.



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