



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject

Troubled Properties

Number

1-25

Originating Department

Housing and Community Affairs

Effective Date

Montgomery County Regulation on

Troubled Properties

Housing and Community Affairs

Issued by: County Executive

Regulation No. 1-25

COMCOR No. 29.22.02 [29.40.01]

Authority: Montgomery County Code (2014), Section 29-22(b)(2)

Supersedes: Executive Regulation 5-17AM

Council Review: Method (2) under Code Section 2A-15

Register Vol. 42, No. 2

Effective Date: _____

Comment Deadline: March 2, 2025

Summary:

This Executive Regulation sets forth an amended methodology to designate a multifamily dwelling unit as troubled, at-risk, or compliant under Section 29-22(b)(2) of the Montgomery County Code, based on the severity and quantity of violations of Chapter 26. Troubled properties are subject to annual inspections and the requirement to develop and implement a Corrective Action Plan and must submit quarterly tenant work request logs under Section 29-22(c). At-risk properties are subject to more frequent inspections than properties designated as compliant. Both troubled and at-risk properties must comply with rent stabilization laws and regulations.

This amended Executive Regulation addresses necessary changes to the original Executive Regulation 5-17AM. It outlines the methodology that DHCA will utilize to evaluate multifamily inspection results that are used to determine troubled, at-risk, or compliant status. It additionally amends the timeframe related to when multifamily properties will be notified of their inspection results and their associated designations. Lastly, it details the steps that troubled and at-risk properties must undertake to potentially change their troubled and at-risk designations.



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COMCOR 29.22.02 [29.40.01] Troubled Properties

29.22.02.01 [29.40.01.01]. Purpose.

The minimum maintenance standards that apartment complexes and buildings with personal living quarters ("rental housing" or "rental housing properties") must meet are set forth in Chapter 26 of the Montgomery County Code. When the Department conducts a visual assessment of rental housing for compliance with Chapter 26, any [violation] violations of the Chapter 26 standards [is] are noted by the Department without distinction as to the severity of the violation, except those violations cited under Section 26-13 and Section 26-15 of the Code. However, for the purposes of meeting the requirements of Section 29-22(b)(2), the Department categorizes and ranks Code violations identified during Department-scheduled or Department-mandated inspections in the order of severity, as outlined in this regulation, to determine whether rental housing is to be designated as [a Troubled Property] troubled, at-risk, or compliant.

This regulation sets forth a methodology [for designating Troubled Properties] to designate troubled, at-risk, and compliant properties under Section 29-22(b)(2) of the Montgomery County Code based on the severity and quantity of violations of Chapter 26[.][with rental]. Rental housing designated as Troubled Properties [being] are subject to annual inspections[and], the requirement to develop and implement a corrective action plan, and to submit quarterly tenant work request logs under Section 29-22(c). At-risk properties are subject to more frequent inspections than compliant properties. Both troubled and at-risk properties must comply with rent stabilization restrictions.

29.22.02.02 [29.40.01.02] Definitions.

Unless defined below, all terms herein have the same meanings as those in Chapter 29 of the Code.

(a) At-risk property means rental housing that, because of the severity and number of violations under Chapter 26, is at risk of becoming troubled but does not meet the threshold for being designated as troubled. To be designated as at-risk the property's SV or TV Score must exceed the thresholds established by the Department under Section 29.22.02.04.

(b) Compliant property means rental housing whose TV and SV Scores are both



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below the thresholds established by the Department under Section 29.22.02.04.

(c) *Corrective action plan* means a written property maintenance plan prepared by the [Landlord] landlord of a [Troubled Property] troubled property that describes in detail the specific actions that the [Landlord]landlord will take within a specified [time] schedule to both identify and correct [current and ongoing] existing housing code violations in a timely manner and prevent future housing code violations to the greatest extent possible.

(d) [(b) *Troubled Property* means rental housing which] Department-scheduled or Department-mandated inspection means an inspection scheduled by the Department as required under Section 29-22 of the Code.

(e) Quarterly tenant work request logs are records of all open, pending, and completed tenant or other work requests kept by landlords to track work requests including the date or time that the work request was submitted, the specific nature of the work request, and for completed work, the time that the work was completed, and details of what work was done to satisfy the request.

(f) Requested inspection means a landlord inspection requested after their property received a troubled or at-risk designation to obtain an inspection that may change their property's designation. It is an inspection requested by the landlord on the premise that the landlord believes certain conditions arising from a Department-scheduled or Department-mandated inspection are met.

(g) Severity of Violations Score or SV Score is a criterion used to assess the violations found in rental housing, calculated using the methods set forth in 29.22.02.04.

(h) Total Number of Violations or TV Score is a criterion used to assess the violations found in rental housing, calculated using the methods set forth in 29.22.02.04.

(i) Troubled property means rental housing that, because of the severity and quantity of violations under Chapter 26, is subject to annual inspections by the Department and requires the development [and implementation of a corrective action plan.], submission, and implementation of a Corrective Action Plan as well as the submission of quarterly tenant work request logs. To be designated as troubled the property's mold or infestation levels or both its TV and SV Scores must exceed the thresholds established by the Department under Section 29.22.02.04.



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(j) Unsafe conditions mean a failure by the landlord or tenant to maintain a dwelling unit in a safe and sanitary condition. Unsafe conditions include, but are not limited to, fire safety hazards, physical hazards, environmental hazards, pest infestations, and security issues.

29.22.02.03 [29.40.01.02] Classifying Violations by Severity

(a) [The Department shall maintain and publicize a list of violations (“violations list”) with an assigned level of severity for each violation based on the four categories described below. The violations list may, by Executive Order, be revised periodically for completeness and clarity.](b) Health and [Safety Violations.] safety violations. Health and [Safety Violations] safety violations are generally those that present an imminent or immediate risk to tenants including, but not limited to:

- (1) Those violations listed in Section 29-22(b)(1) of the Code;
- (2) Violations which cause the Department to exercise the powers] Conditions as delineated in Section 26-13 and Section 26-15 of the Code;
- (3) Missing, disabled, or non-functioning smoke detectors;
- (4) Broken entrance doors and/or missing or broken locks; or
- (5) HVAC system not maintaining a temperature of 68 degrees in heating months[; or].

[(6) Any other violation designated on the list maintained by the Department. Unless the magnitude of a violation necessary to meet the level of a health and safety violation is specified in the Code or regulation, a violation must meet the requirements of Section 26-13(a) of the Code in order to achieve the designation of a health and safety violation.]

[(c)] (b) Higher [Priority Violations] priority violations. Higher Priority Violations are generally those that do not present an imminent or immediate risk to [tenants’] tenants’ health or safety, but require more substantial and expensive repairs, including but not limited to:



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- (1) Damage to interior doors and/or door locks;
- (2) Major wall damage;
- (3) The limited presence of mold that does not meet the standard set in Section 26-13(a)(3) of the Code;
- (4) Overcrowding;
- (5) Infestation not rising to the level established in Section 29-22(b)(1)(a);
- (6) Non-functioning or inadequately functioning major appliance, such as a refrigerator not cooling, or a stove not heating, to the required temperature;
- (7) Other damage to windows not related to egress; or
- (8) Missing address indicators [; or].
- [(9) Any other violation designated on the list maintained by the Department.]

[(d)] (c) *Medium [Priority Violations.] priority violations*. Medium [Priority Violations] priority violations are generally those related to ongoing maintenance issues including, but not limited to:

- (1) [Poor housekeeping presenting conditions conducive to infestation and/or accidents] Unsafe conditions;
- (2) Faucet leaks and other non-emergency plumbing repairs;
- (3) Minor wall and/or tile repairs;
- (4) Carpet damage;
- (5) Deteriorated refrigerator gaskets; or
- (6) HVAC system requiring general maintenance[; or].
- [(7) Any other violation designated on the violations list maintained by the Department.]

[(e)] (d) *Lower [Priority Violations.] priority violations*. Lower [Priority Violations] priority violations are generally those of a superficial or cosmetic nature including, but not limited to:



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- (1) Interior walls and ceilings requiring general painting, scraping and preparation;
- (2) Lights and light covers in need of repairing or replacing;
- (3) Window blinds in need of repairing or replacing;
- (4) Broken or damaged toilet seat;
- (5) Broken or damaged bathroom towel rack and/or toothbrush holder;
- (6) Bathtub in need of re-glazing and/or repairing grout and caulking[; or].
- [(7) Any other violation designated on the violations list maintained by the Department.]

[(f) The quantity and severity of violations under each category necessary to designate rental housing as a Troubled Property is set forth in Section 29.40.01.04 of this regulation.]

29.22.02.04 [29.40.01.04] Designating Troubled, At-Risk, and Compliant Properties

(a) After an inspection of rental housing and based on the inspection findings, the Department [shall] must calculate [two scores] the SV and TV Scores to be assigned to each rental property [based on the following criteria:].

[(1) The severity of the violations found in the rental housing (the Severity of Violations Score, or "SV Score");]

[(2) The total number of violations found in the rental housing (the Total Number of Violations Score, or "TV Score").]

(b) *Severity of Violations ("SV") Score.*[(1)]The Severity of Violations score [shall]must be based on the following point system:

(1) [(i)]Five (5) points for each [Health] health and [Safety Violation]safety violation found;

(2) [(ii)]Three (3) points for each [Higher Priority Violation]higher priority violation found;

(3) [(iii)]Two (2) points for each [Medium Priority Violation]medium priority violation found;

(4) [(iv)]One (1) point for each [Lower Priority Violation]lower priority violation



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found.

(c) [(2)] The Department will assign the appropriate point value to each violation based on its severity and will add the points together to calculate the total number of points. The Department will then divide this total number of points by the total number of violations found in the [Multifamily Dwelling Units] multifamily dwelling units inspected to determine an average number representing the average severity per violation identified in the inspection process. This average will then be multiplied by the percentage of inspected units affected by violation, to calculate a final Severity of Violations [("("SV["")"])" Score [for]that [rental housing]reflects the proportional severity of violations across the inspected units.

(d) [(c)] *Total [Number of]Violations [("("TV["")"])"Score.* []The Department will divide the total number of violations found in the rental housing by the total number of [Multifamily Dwelling Units]multifamily dwelling units inspected to determine an average number of violations per unit which will be the Total Violations [("("TV["")"])" Score for that rental housing.

(e) [(d)] On or about July 1, 2019, the Department shall analyze the results of inspections of rental properties that were conducted on or after January 15, 2017 according to the method described below. Thereafter, the Department will conduct this analysis annually for those rental properties inspected within the preceding 12-month period.] The Department will analyze each property's inspection results as described below and will notify the landlord of the property's designation within 30 days after completion of the analysis.

(e) The SV Score and the TV Score for each rental property shall be plotted as two coordinates on an "X-Y scatter graph" where the X-axis (horizontal) represents the SV Score, and the [Y-axis (vertical) represents the property's TV Score (an illustration of such a graph is provided below).]

(f) The coordinates for all rental properties shall be plotted on this graph to show the relative position of each rental property in relation to every other rental property based on the quantity and severity of its violations.]

(g) Additionally, the Department shall calculate the mean TV Score and the mean SV Score for all rental properties. These mean values shall be plotted as points on the X-axis (representing the average severity of all violations across all properties) and the Y-axis (representing the average number of total violations across all properties), respectively.]

(h) The graph shall then be divided into four quadrants by drawing a line perpendicular



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to each axis (the "mean line"), beginning at the mean score on each axis and ending at a point parallel to the endpoint of each axis. Each quadrant contains the coordinates of properties with certain characteristics:]

[(1) The northwest quadrant (upper left) represents rental properties with a higher than average number of violations, and violations of a relatively lower level of severity;]

[(2) The northeast quadrant (upper right) represents rental properties with a higher than average number of violations, and violations of a relatively higher level of severity;]

[(3) The southeast quadrant (lower right) represents rental properties with a lower than average number of violations, and violations of a relatively higher level of severity; and,]

[(4) The southwest quadrant (lower left) represents rental properties with a lower than average number of violations, and violations of a relatively lower level of severity (please refer to the illustration below).]

[

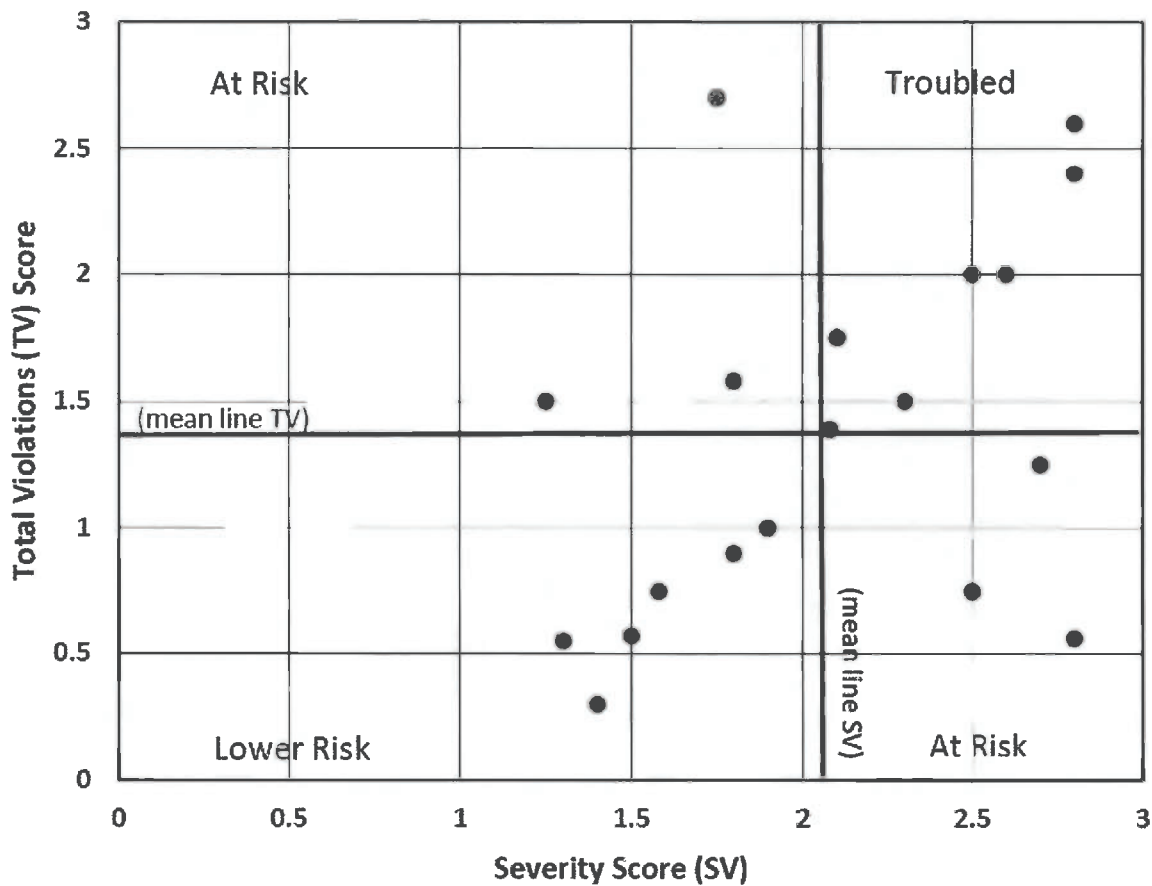


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Troubled Properties Analysis



]

- [(i) Those rental properties whose coordinates are located within or touching any boundary of the northeast quadrant shall be designated as Troubled Properties.]
- [(j) Those rental properties whose coordinates are located within the northwest or southeast quadrant shall be considered “at-risk” properties commensurate with their coordinates proximity to the northeast quadrant containing Troubled Properties. The Director shall exercise his or her discretion to inspect these properties more frequently than once every three years to monitor the properties and encourage the Landlords to avoid Troubled Properties designation.]
- [(k) Within 30 days of the Department’s designation of a rental property as a Troubled Property, the Department shall provide written notice of such designation to the Landlord. The Department may include any supporting documentation deemed necessary to support or explain that



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designation. The written notice should also include:]]

- (1) In order to ascertain whether a property will be designated as a [Troubled Property]troubled, at-risk, or compliant property, the TV Score and SV Score for each multi-family property will be evaluated based on the TV Score and SV Score thresholds established by the Department [shall provide written notice of such designation to the Landlord.]which will be documented by posting on the Department's website not later than 30 days before the beginning of the upcoming fiscal year. The initial TV and SV Score thresholds will be set at 2.0 and 1.5, respectively.
- (2) If a multifamily property exceeds only one of the designated thresholds with either its TV Score or its SV Score, the property will be classified as "at-risk." These properties may be subject to more frequent inspections by the Department to monitor their conditions and encourage landlords to avoid the troubled property designation.
- (3) If a multifamily property exceeds both the TV Score and SV Score thresholds, the property will be classified as troubled. These properties are subject to annual inspections, the submission of a corrective action plan, and the submission of quarterly tenant work request logs.
- (4) Additionally, a property will be automatically designated as troubled if as the result of an inspection the Department determines that 20 percent or more of the units in that property have mold or if 20 percent or more of the units have a rodent or insect infestation.
- (5) If a property is designated as a troubled or at-risk property, the notice to the landlord of the property's designation may include any supporting documentation deemed necessary to support or explain that designation. The written notice should also include:
 - A. [(1)]The date established by the Department of the upcoming annual inspection of all dwelling units in the rental property;
 - B. [(2)]The requirement for, and description of, a corrective action plan which



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must be submitted to the Department prior to the date of the above annual inspection;

C. [(3)] The requirements of Section 29-22(e), including the requirement to submit quarterly maintenance logs to the Department, effective as of the date of the written notice;

D. [(4)] The remedies available under Section 29-25 and Section 26-[16]16 of the Code if the [Landlord]landlord fails to comply with the requirements of all applicable laws.

- (6) [(1)] Beginning on or about July 1, 2019, the]The Department will inspect every [Troubled Property]troubled property at least once within the succeeding 12-month period, as measured from the date all previously identified violations from the most recent inspection of the rental housing complex have been corrected and the case file for that property is closed. So long as [a]the rental housing remains a [Troubled Property]troubled property, the Department will inspect the complex at least once within each succeeding 12-month period until the original inspection for the fiscal year yields a result where the rental housing is no longer designated as a [Troubled Property]troubled property. Rental housing that is designated as at-risk may continue to be inspected on a more frequent basis.
- (7) [(m)] Rental housing designated as a [Troubled Property]troubled property may have that designation removed at such time as the Director determines that the landlord corrected all of the violations identified during the initial inspection, the landlord successfully completed the corrective action plan for the rental housing[has been successfully completed]that two-quarters of quarterly tenant work request logs indicate the landlord's proper maintenance of property and [the property's SV]that a subsequent inspection by the Department occurs and yields results that do not qualify the property as being troubled. The landlord may request an inspection sooner than the next Department scheduled/mandated inspection. For the troubled designation to be removed, the TV [scores are]and SV Scores of the requested inspection or the next Department scheduled inspection must not be above the designated threshold.
- (8) Rental housing designated as at-risk may have that designation removed at such time as the Director determines that all violations identified during the initial inspection



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have been corrected and that a subsequent inspection occurs yielding results that do not qualify the property as being designated as at-risk. The landlord may request an inspection sooner than the next Department scheduled/mandated inspection. For the at-risk designation to be removed, the TV and SV Scores of the requested inspection or the next Department scheduled inspection must not be above the designated threshold.

- (9) In order for a property to no longer be designated as troubled or at-risk, the property must achieve a designation as a compliant property after a requested inspection or the next Department-scheduled or Department-mandated inspection.

Landlords that apply for requested inspections will be charged fees in accordance with COMCOR 29.20.02.03.

Marc Elrich
County Executive

Approved as to form and legality:

Office of the County Attorney/Date