

MEMORANDUM

June 12, 2019

TO: Planning, Housing and Economic Development Committee

FROM: Amanda Mihill, Legislative Attorney *A. Mihill*
Linda McMillan, Senior Legislative Analyst *L. McMillan*

SUBJECT: Bill 6-19, Landlord – Tenant Relations – Termination of Lease – Tenant Health and Safety

PURPOSE: Worksession – Committee to make recommendations on Bill

Those expected for today's worksession:

- Timothy Goetzinger, Acting Director, Department of Housing and Community Affairs
- Stephanie Killian, Division Chief, Housing, DHCA
- Rosie McCray-Moody, Landlord Tenant Manager, DHCA
- Maureen Harzinski, Tenant Advocate, DHCA

Bill 6-19, Landlord – Tenant Relations – Termination of Lease – Tenant Health and Safety, sponsored by Lead Sponsor Councilmember Huckler and Co-Sponsors Councilmember Friedson, Council President Navarro, Councilmember Jawando, Council Vice-President Katz, Councilmembers Riemer, Rice, Glass and Alborno, was introduced on March 5. A public hearing was held on March 26 (see testimony and correspondence on ©9-29).¹

Bill 6-19 would require each lease for rental housing located in the County to allow the tenant to terminate the lease if the landlord does not correct a violation of applicable law that adversely affects the immediate health and safety of the tenant in the tenant's unit or a common area available for use by the tenant within 30 days after being ordered to do so by the Department.

Summary of Testimony/Correspondence

The Council heard from several speakers at the public hearing and has received correspondence on Bill 6-19, the vast majority of which was in support of the bill (©9-19). The Apartment and Office Building Association of Metropolitan Washington (AOBA) submitted a letter opposing Bill 6-19 (©20-29).

¹ #MoCoTenantRights
Search terms: Landlord, tenant, lease

Issues for Committee Discussion

The primary question for the Committee to discuss is whether to recommend the Council enact Bill 6-19. As noted above, AOBA submitted a letter opposing Bill 6-19. In AOBA's view, current law provides adequate remedies. Their testimony notes that current law allows the Department to revoke a rental license, which triggers the landlord's duty to notify the tenant that the tenant must vacate the property within 2 months. Additionally, AOBA believes that the consideration of Bill 6-19 is premature because of the relatively recent implementation of the "troubled properties" legislation (Bill 19-15, Landlord –Tenant Relations – Licensing of Rental Housing – Landlord-Tenant Obligations, which took effect on March 13, 2017).

Council staff comments: Council staff does not concur with AOBA's conclusion that current law provides adequate remedies for tenants who live in units in which the landlord has neglected to correct a violation of law that adversely affects the immediate health and safety of the tenant. Neither does Council staff concur that Bill 6-19 is premature.

Council staff believes that Bill 6-19 strikes an appropriate balance for tenant protections. Under the bill, a tenant could terminate a lease only if the Department orders a landlord to correct certain violations of law and the landlord fails to correct those violations. This tenant protection is triggered only when the Department finds violations of law that adversely affects the immediate health and safety of the tenant and includes:

- rodent or insect infestation affecting 20% or more units in a building;
- extensive and visible mold growth on interior walls or surfaces exposed to the occupied space;
- windows that do not permit a safe means of egress;
- pervasive and recurring water leaks that result in chronic dampness, mold growth, or personal property damage in more than one unit; or
- lack of one or more working utilities that is not shut off due to tenant non-payment.

Technical amendment: In testimony supporting Bill 6-19, DHCA Acting Director Tim Goetzinger requested a technical amendment to refer to Section 29-22(b)(1) as opposed to Section 29-22 at ©9. Mr. Goetzinger expressed the view that this would make implementation clearer. Council staff does not have any concerns with this amendment.

Council staff recommendation: enact Bill 6-19 with the requested technical amendment.

This packet contains:	<u>Circle #</u>
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Bill No. 6-19
Concerning: Landlord – Tenant Relations
– Termination of Lease – Tenant
Health and Safety
Revised: 01/31/2019 Draft No. 3
Introduced: March 5, 2019
Expires: September 5, 2020
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Hucker
Co-Sponsor: Councilmember Friedson, Council President Navarro, Councilmember Jawando,
Council Vice-President Katz, Councilmembers Riemer, Rice, Glass and Alborno

AN ACT to:

- (1) require each lease for rental housing located in the County to allow the tenant to terminate the lease under certain circumstances; and
- (2) generally amend County laws related to landlord – tenant relations.

By amending

Montgomery County Code
Chapter 29, Landlord – Tenant Relations
Section 29-27

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

Sec. 1. Section 29-27 is amended as follows:

29-27. Contents of lease.

Each lease for rental housing located in the County must:

* * *

(s) Allow the tenant to terminate the lease upon 30 days' written notice to the landlord due to:

- (1) an involuntary change of employment from the Washington metropolitan area;
- (2) the death of major wage earner;
- (3) unemployment;
- (4) the tenant or the tenant's child being a victim of domestic violence;
- (5) a landlord harassing the tenant or violating the tenant's privacy rights;
- (6) the tenant or tenant's spouse being:
 - (A) 62 years of age or older;
 - (B) no longer live independently; and
 - (C) needing to move to a nursing home or other senior citizen housing;
- (7) the tenant being incarcerated or declared mentally incompetent;
- (8) the landlord's failure to correct a violation of applicable law that adversely affects the immediate health and safety of the tenant, as described in Section 29-22, in the tenant's unit or a common area available for use by the tenant within 30 days after being ordered to do so by the Department; or

[(8)] (9) another reasonable cause beyond the tenant's control.

[The] Except for the reason listed in paragraph (s)(8), the lease may provide that in the event of termination under this provision, the tenant is

LEGISLATIVE REQUEST REPORT
Bill 6-19

*Landlord – Tenant Relations – Termination of Lease – Tenant
Health and Safety*

DESCRIPTION: Bill 6-19 would require each lease for rental housing located in the County to allow the tenant to terminate the lease if the landlord does not correct a violation of applicable law that adversely affects the immediate health and safety of the tenant in the tenant's unit or a common area available for use by the tenant within 30 days after being ordered to do so by the Department.

PROBLEM: Residential leases can be difficult to terminate and renters should not be forced to stay in leased premises when serious health and safety violations go uncorrected.

GOALS AND OBJECTIVES: To allow tenants to protect their health by providing them an opportunity to terminate their lease if there are serious health and safety violations that remain uncorrected.

COORDINATION: Department of Housing and Community Affairs

FISCAL IMPACT: To be requested

ECONOMIC IMPACT: To be requested

EVALUATION: To be requested

EXPERIENCE ELSEWHERE: To be researched

SOURCES OF INFORMATION: Amanda Mihill, Legislative Attorney, 240-777-7815

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: A violation of Chapter 27 is a Class A violation.



ROCKVILLE, MARYLAND

MEMORANDUM

March 25, 2019

TO: Nancy Navarro, President, County Council

FROM: Richard S. Madaleno, *RSM* Director, Office of Management and Budget
Alexandre A. Espinosa, Director, Department of Finance *AE*

SUBJECT: Economic and Fiscal Impact Statement for Bill 6-19, Landlord-Tenant Relations – Termination of Lease – Tenant Health and Safety

Please find attached the Economic and Fiscal Impact Statement for Bill 6-19, Landlord-Tenant Relations – Termination of Lease – Tenant Health and Safety

RSM:cm

cc: Andrew Kleine, Chief Administrative Officer
Debbie Spielberg, Special Assistant to the County Executive
Dale Tibbitts, Special Assistant to the County Executive
Lisa Austin, Office of the County Executive
Fariba Kassiri, Deputy Chief Administrative Officer
Ohene Gyapong, Acting Director, Public Information Office
David Platt, Department of Finance
Dennis Hetman, Department of Finance
Monika Coble, Office of Management and Budget
Naeem Mia, Office of Management and Budget
Chrissy Mireles, Office of Management and Budget
Pofen Salem, Office of Management and Budget

Fiscal Impact Statement

Bill 6-19, Landlord-Tenant Relations – Termination of Lease – Tenant Health and Safety

1. Legislative Summary

Bill 6-19 requires each lease for rental housing located in the County to allow the tenant to terminate the lease upon 30 days' written notice under certain circumstances, and generally amends County laws related to landlord - tenant relations.

Specifically, the Bill allows a tenant to break their lease – penalty-free – should a landlord not correct a health and safety violation within 30 days of being ordered to do so by the Department of Housing and Community Affairs (DHCA).

There are five (5) such applicable violation types including:

1. Rodent or insect infestation affecting 20% or more units in a building,
2. Extensive and visible mold growth on interior walls or surfaces exposed to the occupied space,
3. Windows that do not permit a safe means of egress,
4. Pervasive and recurring water leaks that result in chronic dampness, mold growth, or personal property damage in more than one unit, and
5. Lack of one or more working utilities that is not shut off due to tenant non-payment.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

Bill 6-19 provides certain new tenant rights as explained in Question #1 above. These new rights would have no impact on County revenue or expenditures.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Per Question #2, this Bill does not impact County revenue or expenditures.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not applicable.


5. An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.

Not applicable.

6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Not applicable; Bill 6-19 does not authorize future spending.

- 7. An estimate of the staff time needed to implement the bill.**
Not applicable.
- 8. An explanation of how the addition of new staff responsibilities would affect other duties.**
Not applicable.
- 9. An estimate of costs when an additional appropriation is needed.**
No additional appropriation is needed to implement Bill 6-19.
- 10. A description of any variable that could affect revenue and cost estimates.**
Not applicable; see Question #2.
- 11. Ranges of revenue or expenditures that are uncertain or difficult to project.**
Not applicable.
- 12. If a bill is likely to have no fiscal impact, why that is the case.**
Bill 6-19 provides certain new tenant rights as explained in Question #1 which do not generate a fiscal impact for the County.
- 13. Other fiscal impacts or comments.**
Not applicable.
- 14. The following contributed to and concurred with this analysis:**
Tim Goetzinger, Department of Housing and Community Affairs
Stephanie Killian, Department of Housing and Community Affairs
Rosie McCray-Moody, Department of Housing and Community Affairs
Pofen Salem, Office of Department Management and Budget


Richard S. Madaleno, Jr., Director
Office of Management and Budget


Date

Economic Impact Statement
Bill 6-19, Landlord – Tenant Relations – Termination of Lease – Tenant Health and Safety

Background:

Bill 6-19 would:

- (1) require each lease for rental housing located in the County to allow the tenant to terminate the lease under certain circumstances; and
- (2) generally amend County laws related to landlord - tenant relations.

Bill 6-19 would require each lease for rental housing located in the County to allow the tenant to terminate the lease if the landlord does not correct a violation of applicable law that adversely affects the immediate health and safety of the tenant in the tenant's unit or a common area available for use by the tenant within 30 days after being ordered to do so by the Department. Specifically, the Bill allows a tenant to break their lease – penalty free – should a landlord not correct a health and safety violation within 30 days of being ordered to do so by the Department of Housing and Community Affairs (DHCA). There are five such applicable violation types including:

- 1.) Rodent or insect infestation affecting 20% or more units in a building,
- 2.) Extensive and visible mold growth on interior walls or surfaces exposed to the occupied space,
- 3.) Windows that do not permit a safe means of egress,
- 4.) Pervasive and recurring water leaks that result in chronic dampness, mold growth, or personal property damage in more than one unit, and
- 5.) Lack of one or more working utilities that is not shut off due to tenant non-payment.

1. The sources of information, assumptions, and methodologies used.

There were no assumptions or needed methodologies in the formulation of this economic impact statement.

2. A description of any variable that could affect the economic impact estimates.

As noted in the fiscal impact statement, the proposed legislation would provide new tenant rights that will not impact County revenues or the DHCA's staff time. According to DHCA data there are currently 109 facilities with 6,049 units identified as troubled with infestation and mold percentages that equates to approximately 6.7% of the total rental units (90,221) reported in the 2017 DHCA rental survey.

3. The Bill's positive or negative effect, if any on employment, spending, savings, investment, incomes, and property values in the County.

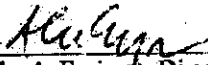
The bill is not anticipated to have an impact on employment, spending, savings, investment, incomes, and property values in the County. Both the lessee and the lessor face unique consequences and costs if they fail to uphold the terms of their respective contracts. The legislation's potential impact on the cost to property owners in forgone rent cannot be accurately quantified given a lack of specificity of data enumerating the number of applicable violations that will fail to be resolved within 30 days and the timing of those violations in the context of the specific lease.

4. If a Bill is likely to have no economic impact, why is that the case?

See number 2.

5. The following contributed to or concurred with this analysis:

David Platt and Dennis Hetman, Finance.



Alexandre A. Espinosa, Director
Department of Finance



Date

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**TESTIMONY ON BEHALF OF COUNTY EXECUTIVE MARC ELRICH
ON BILL 6-19, LANDLORD – TENANT RELATIONS – TERMINATION OF LEASE –
TENANT HEALTH AND SAFETY**

March 26, 2019

Good afternoon Council President and Councilmembers, my name is Tim Goetzinger and I am the Acting Director of the Department of Housing and Community Affairs. It is a pleasure for me to appear before you on behalf of the County Executive in support of Bill 6-19, which amends Chapter 29 – Landlord-Tenant Relations of the Montgomery County Code.

The proposed Bill amends Section 29-22(b) of Chapter 29 to allow tenants to terminate their tenancy with 30 days' notice if a landlord fails to correct a condition that is a threat to health and safety within 30 days of being put on notice by Housing Code Enforcement.

Section 29-27(s)(8) is a new provision proposed to be required in all County leases. It would add a new provision to the list of circumstances allowing a tenant to terminate a lease with 30 days' written notice to the landlord, for reasons beyond the tenant's control: If the landlord fails to correct a violation that adversely affects the immediate health and safety of the tenant. This situation would be triggered if the Department of Housing and Community Affairs, through its housing code enforcement section, orders a landlord to correct a violation that affects the immediate health and safety of the tenant, and if the violation has not been corrected within 30 days to the satisfaction of the Department. The tenant would be allowed to terminate the lease penalty-free. There are five such applicable violation types in which the tenant could terminate their lease penalty-free:

1. Rodent or insect infestation affecting 20% or more units in a building;
2. Extensive and visible mold growth on interior walls or surfaces exposed to the occupied space;
3. Windows that do not permit a safe means of egress;
4. Pervasive and recurring water leaks that result in chronic dampness, mold growth, or personal property damage in more than one unit, and
5. Lack of one or more working utilities that is not shut off due to tenant non-payment.

DHCA proposes one technical amendment to the Bill to provide clarity on what violation types are applicable. The purpose of the Bill is to address violations that impact the "immediate health and safety" of tenants. As per the above, Section 29-22(b)(1) provides five specific violation types that affect the immediate health and safety. The sponsor provided the legal citation for Section 29-22. DHCA asks that it be amended to specify Section 29-22(b)(1). This would change the Bill to state the following:

(8) the landlord's failure to correct a violation of applicable law that adversely affects the immediate health and safety of the tenant as described in Section 29-22**(b)(1)**, in the tenant's units or a common area available for use by the tenant within 30 days after being ordered to do so by the Department.

This technical clarification would make its implementation and enforcement clear for all concerned.

The County Executive thanks Councilmember Hucker for introducing this bill and all the Councilmembers for cosponsoring and he is pleased to support it.



Jeffrey Z. Slavin
Mayor

TOWN OF
SOMERSET

4510 Cumberland Avenue
Chevy Chase, MD 20815
301-657-3211
town@townofsomerset.com



Rich Charnovich
Town Manager/Clerk-Treasurer

Testimony of Landlord Tenant Commissioner Jeffrey Slavin

Bill 6-19, Landlord Tenant Relations - Termination of Lease - Tenant Health and Safety

March 26, 2019

Good afternoon.

While I am a landlord representative on the Landlord Tenant Commission, having in the past been a property manager for over twenty seven years, I am keenly aware of the disadvantages experienced by the tenants in our County. And I also know that my commissioner role is not as an advocate for landlords, it is an advocate for a fair and equitable landlord tenant law.

I also come here today as a commissioner who has served on dozens and dozens of Commission hearing panels. Most of the cases that come before us are as the result of situations where greedy and uneducated landlords have taken advantage of tenants, many of whom are underprivileged and many of whom are not US natives.

Therefore, it is my belief that swift passage of Bill 6-19 will begin to remedy a significant problem and give tenants an additional tool to get justice. I strongly support swift passage of this legislation with the amendment that is being offered by DHCA.

Thank you

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Montgomery County Community Action Board Testimony
Bill 6-19 Landlord-Tenant Relations - Termination of Lease - Tenant Health and Safety
Tuesday, March 26, 2019

Lisette Engel
Community Action Board Member

Good afternoon. My name is Lisette Engel and I am a member of the Community Action Board's Executive Committee. I serve on the Board as a low-income representative.

The Community Action Board advocates for policies and programs that address the needs of lower-income County residents and help residents move towards self-sufficiency. I am here today to express the Board's strong support for Bill 6-19. In Montgomery County, where the cost of living is so high and affordable housing is scarce, lower-income residents often struggle to find acceptable housing options for their families. With limited options, many families may find themselves in living situations that are less than ideal.

Our Board is often notified of issues impacting the lower-income community through public forums, by residents attending our Board meetings, and through the participants in our Community Advocacy Institute. A few months ago, our Board was contacted by a local PTA advocate who was concerned that children at Burnt Mills Elementary School were missing class due to illnesses caused by mold at a local apartment complex. Parents were trying their best to request remediation of the problem by building management, but the dangerous situation persisted. Many parents felt stuck. They could break their leases and risk the financial penalties, or stay in the unhealthy environment and have their children continue to get sick. Situations like this one are not unique. While households with additional resources can easily leave dangerous housing situations or seek legal assistance, lower-income families are often left with few options.

The Community Action Board supports Bill 6-19 because it would address the type of situation described above and provide more options to residents. When landlords and building managers do not address problems impacting the health and safety of tenants within 30 days, tenants would be able to break their leases without the risk of penalties. Our Board believes that increased protections for tenants are a key component of equity in the County. We ask that you pass Bill 6-19, helping to ensure that all residents can obtain safe housing.



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March 26, 2019

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

Thank you, councilmembers, for allowing me to testify today.

My name is Marcus Meeks and I serve on the Board of Directors for Habitat for Humanity, Metro Maryland. For thirty-seven years, Habitat has worked to create decent and affordable homeownership opportunities for low-income families in Montgomery County. Based on its work with low-income families and seeing first-hand the poor living conditions that too many families in Montgomery County must endure, Habitat enthusiastically supports bill 6-19 because it will provide families recourse to address substandard conditions.

Habitat seeks to make homeownership a reality for low-income families through its unique model of providing qualifying families an interest free mortgage to purchase a home that Habitat has built or renovated. For a family to qualify to

receive an interest free mortgage from Habitat, a family must satisfy three criteria:

First, the family must demonstrate an ability to repay a mortgage.

Second, the family must agree to take courses on financial literacy and invest a certain amount of "sweat equity" in their future home – that is, they must agree to work on the construction site, along-side our volunteers, for a certain number of hours. Children can contribute sweat equity through good grades and service learning hours.

Third, the family must have a demonstrated need to improve their housing situation. In deciding whether this third criterion is met, Habitat will examine both the family's rental cost as a percentage of their income and the condition of the family's current housing.

For every family that establishes an ability to repay a mortgage, Habitat staff and volunteers perform "house visits" where we visit a family's home to examine their living conditions. Habitat has visited hundreds of rental units in Montgomery County as part of these "house visits." During these house visits, Habitat has encountered many unhealthy and unsafe conditions. While most landlords care about the conditions of their properties, some do not. Those who do not care

create unhealthy and unsafe living conditions for our fellow residents of Montgomery County.

Here are a few examples of the poor living conditions Habitat has recently encountered:

- 1) We visited a two-bedroom apartment that a mother and her two sons shared with another family. The apartment had mice, roaches and bedbugs. The mother cleaned the apartment regularly, but she and her youngest son persistently had allergic reactions to their surroundings.
- 2) We visited an apartment occupied by a couple and their adult son, who is confined to a wheel chair. The building did not have accommodations for disabled persons, so the father had to build a wheelchair ramp for his son because the landlord refused to do so. The building's elevator often malfunctioned and on one occasion the son was trapped in the elevator for an hour. Roach and mice infestations were persistent problems, the air conditioning often didn't work, the plumbing leaked, and the apartment had water damage on walls and around windows.

- 3) We visited an apartment occupied by a couple and their two daughters that was so infested with bedbugs the girls couldn't sleep at night and had scars from the bedbug bites. Like the other apartments we visited, this one also had mice and roach infestations, and severe water damage in the kitchen and living room.

Fortunately, Habitat was able to help each of these families move into a safe, healthy, and affordable home. But Habitat is not able to help all the families it visits who are living with unhealthy or unsafe conditions.

Bill 6-19 serves two important purposes that align with Habitat's goal of seeing that every person has a safe, decent and affordable place to live. First, it will give tenants an important tool to pressure landlords to improve conditions in apartment buildings. Second, if a landlord does not correct a housing code violation within 30 days, the bill allows a tenant to terminate a lease without any financial penalty and look for housing elsewhere. For these reasons, Habitat fully supports bill 6-19.

Thank you.

Good afternoon councilmembers,

I am here today to share with you what my family and I experienced while renting an apartment at the Enclave Apartments between 2014 and 2018. My family resided at the apartment complex for 7 years. In that period, we lived in three different apartments and two different buildings.

When I moved to B1108, I began having breathing issues. I asked the management company to clean the HVAC unit, and replace the filters, which they did, but the maintenance did not improve my symptoms. My son also developed breathing issues and ended up in the emergency room. Doctors could not explain his asthma-like symptoms.

After some time, while at B1108, I discovered liquid under the living room HVAC unit. Upon closer inspection, I discovered it was leaking water into the apartment walls and under the carpet. It was obvious the leak was on an old, ongoing problem as the wood under the carpet had rotted and mold was growing inside the HVAC unit. When the HVAC is turned on it spreads mold spores throughout the apartment.

I reported the mold issue to the management company, and they claimed: "it was not mold." After a long fight with management about the conditions in the apartment, letters from my doctors and the EPA, and removal of the living room floor, my family was moved to our last apartment A 920. This apartment had the same mold issues. Once again, my mother-in-law, our new baby had breathing issues because of the mold. Then when the decrease in services, increase in roaches and mice and the increase in crime, my family and I had enough. We asked to be released from our lease, but the management company asked for two months' rent in payment to break the lease, even when we were renting month to month. After several attempts to break our lease were denied, we finally said to management, we are leaving even if you don't let us off the lease. I had to take my children out of such severe conditions, and now I'm being penalized for taking care of my family. This company, the Donaldson Group, is after me for money.

It is ridiculous and unfair to continue to pay for services that are not rendered and then fined if we want to terminate the lease.

One of the issues with molds is, no one will say that is mold and no one will test that is mold. No one in the government, who are supposed to have the public's health at interest, will test to confirm that mold, a substance that can potentially harm us is, present.

This is an issue the council and the state need to investigate because the safety of Maryland residents is at stake.

The other major problem us renters encounter is the lease. It is not fair that it takes a judge in a court of law just to get out of a lease. We don't have lawyers at hand like these companies do, and they know this. I was threatened to be taken to court and I was sent letters from their lawyers.

Council members, both of my kids ended up in the emergency room with asthma-like symptoms, my mother in law ended up with a breathing tube down her neck because of breathing issues, and I had constant breathing issues and now have developed PTSD like symptoms because of mold. We all experienced sinus and coughing problems the whole time we lived in these apartments. It is not fair, safe or civil to force people to remain in harm's way because of a contractual agreement. I asked you to please come together and ensure this bill passes and the loopholes of proving that it is mold get closed so we can take our families out of harm's ways when necessary.

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County Council Testimony – Termination of Lease Bill

Good afternoon, I'm here to express my appreciation for this Council's leadership in proposing Bill 6-19, Landlord-Tenant Relations – Termination of Lease – Tenant Health and Safety bill, allowing residents to vacate a rental property due to the negligence of landlords in resolving property issues. Bills like this have a direct and immediate impact on Montgomery County residents and shows that they are not only heard in their very personal and unfortunate grievances, but that this body of leaders does not rest until they find the best solution to their issues. Allowing residents to vacate a rental property for reasons beyond their control is not just a tenant's right, but also a human right, especially when those reasons are self-inflicted by the property owner's inability to maintain a healthy, safe, and clean environment for its residents. So again I thank you for listening, acting, and hopefully passing this bill which will have a multi-generational impact on the residents of Montgomery County.

Sincerely,

Tamika Bennett Watt



June 6, 2019

Montgomery County Council
100 Maryland Avenue
Stella B. Werner Council Office Building
Rockville, Maryland 20850

Support Re: Bill 6-19 – Tenant Relations – Termination of Lease – Tenant Health and Safety

Dear Council President Navarro, Vice President Katz, and Councilmembers,

I am writing to you on behalf of the Greater Capital Area Association of REALTORS® (“GCAAR”) – the voice of Montgomery County and the District of Columbia’s more than 11,000 REALTORS®, property managers, title attorneys, and other real estate professionals. On behalf of GCAAR, I offer our support for Bill 6-19 – Tenant Relations – Termination of Lease – Tenant Health and Safety.

GCAAR members are committed to helping people across the region find housing that fulfills their needs. The creation a homestead – whether through ownership, or rental housing – requires the ability to feel safe. Bill 6-19 sets an impactful standard towards ensuring all who call Montgomery County home can expect that security where they live.

As REALTORS®, we abide and uphold a code of ethics that protects the rights, safety, and well-being of our clients, our colleagues, and our profession. Section 1-10 of the Standards of Practice under the Code of Ethics’ Duties to Clients and Customers, states:

REALTORS® shall, consistent with the terms and conditions of their real estate licensure and their property management agreement, competently manage the property of clients with due regard for the rights, safety and health of tenants and others lawfully on the premises.

This legislation creates the same standard for all property managers in Montgomery County. We commend Councilmember Hucker for his sponsorship of Bill 6-19, and proudly stand with a unanimous Council in supporting this important legislation.

GCAAR believes that Bill 6-19 is will help ensure a safer housing landscape in Montgomery County. We thank you for your consideration of our Association’s perspective. We are more than willing to answer any questions, and work with you on this effort.

Sincerely,

Koki Adasi
GCAAR, President



WRITTEN STATEMENT OF THE APARTMENT AND OFFICE BUILDING ASSOCIATION OF METROPOLITAN WASHINGTON FOR THE MARCH 26, 2019 PUBLIC HEARING ON B6-19 LANDLORD-TENANT RELATIONS - TERMINATION OF LEASE - THE LANDLORD'S FAILURE TO CORRECT

The Apartment and Office Building Association of Metropolitan Washington (AOBA) is a non-profit trade association representing more than 133,000 apartment units and over 23 million square feet of office space in suburban Maryland, the majority of which, including over 60,000 apartment units and 20 million square feet of office space, is in Montgomery County. AOBA members share a commitment to providing safe and quality housing for the numerous tenants residing in their communities. Just as most tenants are responsible residents, the majority of housing providers are committed to maintaining livable communities. Indeed, AOBA supports the vigorous and even-handed enforcement of the County housing code to ensure a quality of life for all residents living in rental communities. We all benefit, when residents live in safe and habitable homes. Given current remedies and recent implementation of the troubled properties list, AOBA is opposed B6-19 Landlord-Tenant Relations - Termination of Lease - the Landlord's Failure to Correct.

I. EARLY LEASE TERMINATION AUTHORIZED UNDER CURRENT CODE

Current law and procedures together with the Department of Housing and Community Affairs' (DHCA) enforcement efforts achieve the stated statutory purposes of "protecting the

health, safety and welfare of residents” and “encourag[ing] landlord and tenants to maintain and improve the quality of housing in this county.” Note, for example, *residents currently have the right to terminate their lease for code violations under certain conditions*. Specifically, Montgomery County Code § 29-25 vests the DHCA director with the authority to “revoke, deny, or suspend a license for all or part of any rental housing at any time if the landlord, after 10 days’ written notice, does not eliminate or initiate bona fide efforts to eliminate violations of applicable laws. Revocation, denial or suspension of a license is in addition to, and not a substitute for, any other penalties provided for the violations.” Notably, *revocation of a license triggers the housing provider’s obligation to give the tenants 2 months written notice to vacate the premises* and provide a copy of the notice to the DHCA director.

II. CONSIDERATION OF B6-19 IS PREMATURE

Consideration of the proposed measure is also premature given the recent implementation of the troubled property program. Notably, the new inspection protocol not only requires more frequent inspections, but perhaps more importantly, a process for ensuring that the cited conditions are abated in accordance with a corrective action plan. Montgomery County Code § 29-22(b)-(c) directs DHCA to establish criteria for annual inspections of “troubled properties.” Specifically, DHCA must inspect, at least once each year, any rental housing which, after inspection, the director finds a violation that adversely affects the immediate health and safety of the tenants, under a procedure established by regulation that: (1) classifies violation types by severity; and (2) rates properties by: (i) severity of violations; and (ii) quantity of violations. Such violations include: (A) rodent or insect infestation affecting 20% or more units in a building; (B) extensive and visible mold growth on interior walls or surfaces exposed to the

occupied space; (C) windows that do not permit a safe means of egress; (D) pervasive and recurring water leaks that result in chronic dampness, mold growth, or personal property damage in more than one unit; or (E) lack of one or more working utilities that is not shut off due to tenant non-payment.

The PHED committee will have ample time to exercise its oversight authority regarding housing code enforcement generally and implementation of the “troubled properties” program and to determine if further statutory changes, if any, are warranted. First, the committee will receive a briefing on April 1 on housing code enforcement in the County. Additionally, Montgomery County Code § 29-6 directs the DHCA director to submit a report to both the Executive and Council on rental housing inspections by September 1. Notably, the report must include for each property inspected, for example, the number of violations corrected. For those properties required to have a corrective plan, the report will also track the status of the corrective action plan. The inspection protocols and reporting requirements are in addition to ongoing outreach efforts to both residents and housing providers. In January, for example, County Executive Marc Elrich and DHCA announced an effort to conduct a housing code enforcement campaign. In addition to a focus on the inspection requirements set forth in the 2017 changes to the rental housing provisions of the County Code, the County also relaunched its “Renters Have Rights” outreach campaign earlier this year.¹ As part of this effort, DHCA sent a notice to housing providers summarizing the changes to the rental housing laws in 19-15.

¹ “Renters Have Rights” Outreach Campaign Elements: (1) Ads on interior (English, Spanish) and exterior Ride On buses, bus shelters and County facilities; (2) Doorhangers regarding tenant rights and responsibilities; (3) Online communications via social media (Twitter, Facebook) and the County website, electronic message boards (English, Spanish) and the Paperless Airplane County newsletter; and (4) Lobby signs posted in every multifamily apartment building, in six languages

III. CONCLUSION

Thank you for the opportunity to submit this statement and AOBA looks forward to working with the Council on this important issue.

CURRENT LAW AFFORDS TENANTS ADEQUATE PROTECTIONS	
SECTION	CURRENT LAW/POLICY
§ 26-1. Purpose:	<p>This Chapter is intended to protect the people of the County against the consequences of urban blight, assure the continued economic and social stability of structures and neighborhoods, and protect the health, safety and welfare of residents, by authorizing the enforcement of:</p> <p>(a) minimum standards of health and safety, fire protection, light and ventilation, cleanliness, repair and maintenance, and occupancy for residential properties; and</p> <p>(b) minimum standards of repair and maintenance for nonresidential properties</p>
§ 29-3 Purposes and policies	(b) The underlying purposes and policies of this chapter are: ... (2) To encourage landlords and tenants to maintain and improve the quality of housing in this county.
§ 29-6. Duties of Director	<p>(a) The Director may initiate investigations and conciliations of any alleged or apparent violation of this Chapter. In connection with this authority, all landlords must make available to the Director for inspection at reasonable times all rental housing and records necessary to enforce this Chapter or resolve any complaints filed under it.</p> <p>(h) The Director must report on rental housing inspections to the Executive and the Council, by September 1 of each year. The report must include:</p> <p>(1) the address of each property inspected during the prior fiscal year;</p> <p>(2) the address of each property that has been inspected or is scheduled to be inspected on an annual or triennial basis during the current fiscal year;</p> <p>(3) for each property inspected:</p> <p style="padding-left: 20px;">(A) a summary of violations by: (i) number found; (ii) number corrected; and (iii) type of violation; and</p> <p style="padding-left: 20px;">(B) the status of any incomplete inspections.</p> <p>(4) for each property required to have a corrective action plan under Section 29-22 in the prior fiscal year or during the current fiscal year, a list of:</p> <p style="padding-left: 20px;">(A) violations found;</p> <p style="padding-left: 20px;">(B) violations corrected; and</p> <p style="padding-left: 20px;">(C) the status of the corrective action plan;</p> <p>(5) the number of citations issued to each landlord during the prior and current fiscal years;</p> <p>(6) the amount of fines collected from each landlord during the prior and current fiscal years; and</p> <p>(7) the number of calls to the County concerning rental housing complaints, by language of the caller.</p>
§ 29-10. Powers and duties generally. (Commission on Landlord-Tenant Affairs.)	<p>In addition to any other power, duty, or responsibility provided in this Chapter, the Commission has the following powers and duties:</p> <p>(b) The Commission may enforce this Chapter through any appropriate means, including:</p> <p>(1) providing any services available through the Department;</p>

	<p>(2) awarding money damages against a landlord or tenant for the benefit of either, as provided in this Chapter;</p> <p>(3) ordering repairs by a landlord or tenant;</p> <p>(4) investigating and conciliating any violation of or complaint filed under this Chapter, and investigating any matter relating to a license to operate a rental housing; and</p> <p>(5) imposing a monetary penalty against a landlord or tenant when a penalty is specified in a law enforced by the Commission, including an award up to three times the amount of any part of a security deposit withheld by a landlord without a reasonable basis.</p>
<p>§ 29-22. Inspection of rental housing</p>	<p>(a) Except as provided in this Section, the Director must inspect each apartment complex and personal living quarters building licensed as rental housing, at least once within each three-year period to determine if it complies with all applicable laws. The Director may inspect an apartment complex or personal living quarters building more often than the triennial inspection.</p> <p>(b) The Director must inspect, at least once each year, any rental housing which, after inspection, the Director:</p> <p>(1) finds in violation of any applicable law that adversely affects the immediate health and safety of the tenants, including:</p> <ul style="list-style-type: none"> (A) rodent or insect infestation affecting 20% or more units in a building; (B) extensive and visible mold growth on interior walls or surfaces exposed to the occupied space; (C) windows that do not permit a safe means of egress; (D) pervasive and recurring water leaks that result in chronic dampness, mold growth, or personal property damage in more than one unit; or (E) lack of one or more working utilities that is not shut off due to tenant non-payment, including: (i) natural; (ii) electricity; (iii) water; (iv) sewage disposal; or <p>(2) determines to be a troubled property, under a procedure established by method (2) regulation that:</p>

	<p>(A) classifies violation types by severity; and (B) rates properties by: (i) severity of violations; and (ii) quantity of violations.</p> <p>(c) The Director must require a corrective action plan for any property subject to annual inspections under subsection (b). A property required to develop and implement a corrective action plan must be inspected at least once each year until the Director determines that the corrective action plan has been successfully completed.</p> <p>(d) The Director may inspect any other rental housing if the Director receives a complaint or a request from a landlord or tenant or believes that the rental housing does not comply with all applicable laws.</p> <p>(e) As a condition of receiving a license under this Chapter, a landlord must agree to:</p> <ol style="list-style-type: none"> (1) allow access to the Department for any inspection required under this Chapter or Chapter 26; (2) notify any affected tenant whose unit requires inspection at least 72 hours in advance of a scheduled inspection under subsection (a) of this Section; and (3) when subject to annual inspection under subsection (b), provide quarterly updates to the Director listing all maintenance requests received by the landlord from tenants. <p>(f) If an inspection indicates that any rental housing does not comply with all applicable laws, the Director must notify the landlord in writing and order correction of each violation within a specified period of time. If the landlord does not correct the violation in the specified period of time, the Director may:</p> <ol style="list-style-type: none"> (1) authorize a tenant to: <ol style="list-style-type: none"> (A) have the violation corrected by a licensed contractor selected from a list maintained by the Director; and (B) deduct the reasonable cost of the repair up to the amount of one month's rent, from the tenant's rent; or (2) revoke the license or take other remedial action under Section 29-25. <p>(g) A landlord of licensed rental housing notified after initial inspection of a violation of applicable laws must pay the cost of the third, and subsequent inspections, as established by regulation, if the violation is not corrected by the second inspection.</p>
<p>§ 29-25. Denial, revocation or suspension.</p>	<p>(a) The Director may revoke, deny, or suspend a license for all or part of any rental housing at any time if the landlord, after 10 days' written notice, does not eliminate or initiate bona fide efforts to eliminate violations of applicable laws. Revocation, denial or suspension of a license is in addition to, and not a substitute for, any other penalties provided for the violations.</p> <p>(b) If a license is revoked or any application, including an application for license renewal, is denied, and the landlord stops renting the housing, the landlord must give any tenants occupying the housing 2 months written notice to vacate the premises. The 2 month period must begin on the first day of the month after service of the notice. In addition, a</p>

	<p>copy of the notice must be delivered to the Director.</p> <p>(c) Any person aggrieved by an action of the Director under this Article may, within 10 days after receiving written notice of the action, appeal that action to the Commission by filing a notice of appeal with the Director. Except for the revocation of a license, an appeal does not stay the Director's action unless the Commission stays the action for good cause. An appeal does not stay revocation of a license.</p> <p>(d) Within 15 days after a notice of appeal is filed, the Commission or a panel designated under Section 29-14 must conduct a hearing, at which the person aggrieved must have an opportunity to be heard. The hearing must be open to the public and the Commission must maintain records and minutes. The Commission may summon all witnesses it deems necessary. A summons so issued must be signed by the chair of the Commission or the chair's designee and requires the attendance of named persons and the production of relevant documents and records. Failure to comply with the summons is a violation of this Chapter.</p> <p>(e) Within 10 days after the hearing, the Commission or Commission panel must, by order, either reverse, modify, or affirm the action appealed. The Commission or Commission panel must issue its findings, opinions, and orders in writing and provide a copy to the person aggrieved. The Commission may extend the time for any hearing and the issuance of any findings, opinions, and orders.</p>
<p>§ 29-27. Contents of lease.</p>	<p>(u) Notify the tenant that: ... (2) the tenant is entitled to a hard copy of the Landlord-Tenant Handbook as required under subsection 29-28(f) and that the Landlord-Tenant Handbook is available on the County website.</p> <p>(w) Contain a plain language summary of tenant rights and responsibilities, in a form established by the Executive by method (2) regulation that includes, at a minimum:</p> <ol style="list-style-type: none"> (1) the term of the lease; (2) the amount of the rent; (3) the date on which the rent is due; (4) the tenant's responsibility, if any, for utility costs; (5) a list of additional tenant rights and responsibilities under the lease; and (6) information about services available to tenants from the Department and the Commission.
<p>§ 29-28. Leasing requirements generally</p>	<p>(f) At the beginning of a lease term, each landlord must provide each tenant with a copy of the Landlord-Tenant Handbook unless the tenant signs a statement declining a hard copy and accepting referral to the Landlord-Tenant Handbook maintained on the County website.</p>
<p>§ 29-36. Tenants' complaints.</p>	<p>(a) If any affected tenant has reason to believe that a defective tenancy exists, has given the landlord notice of the tenant's complaint alleging a defective tenancy, and the landlord does not make a bona fide effort to rectify the defective condition within one week after the notice has been given, the affected tenant may file with the Director a complaint in writing. The complaint must state the name and address of the landlord, the premises in question, and the particulars of the alleged defective tenancy.</p>

<p>§ 29-39. Investigation of complaints.</p>	<p>(a) After the filing of any complaint, the Director must investigate whether there are reasonable grounds to believe that the allegation is true and decide whether a violation of this Chapter has occurred or a defective tenancy exists.</p> <p>(b) If at any time after a complaint is filed, the Director believes the health, safety, welfare, or well being of a tenant is placed in immediate danger, the Director may take immediate action to provide appropriate relief, including notifying the chair or vice-chair of the Commission who must decide whether an emergency meeting of the Commission is necessary.</p>
<p>§ 29-30. Obligations of landlords.</p>	<p>(a) Each landlord must reasonably provide for the maintenance of the health, safety, and welfare of all tenants and all individuals properly on the premises of rental housing. As part of this general obligation, each landlord must:</p> <p>(8) Display in the lobby, vestibule, rental office, or other prominent public place on the premises, a sign in a form approved by the Director that includes information in English, Spanish, French, Chinese, Korean, Vietnamese, and other languages as determined necessary by the Director, about: (A) filing a complaint under this Chapter; and (B) the retaliatory practices prohibited under this Chapter.</p>
<p>§ 29-40. Procedure when violation of Chapter or defective tenancy not found</p>	<p>If the Director, after investigating a complaint, finds no reasonable grounds to believe that a violation of this Chapter has occurred or a defective tenancy exists, the Director must so inform the Commission. The Commission may, in its discretion, dismiss the complaint or order further investigation.</p>
<p>§ 29-41. Procedure when violation of Chapter or defective tenancy found.</p>	<p>(a) If the Director, after investigating a complaint, finds reasonable grounds to believe that a violation of this Chapter has occurred or a defective tenancy exists, the Director must attempt to conciliate the matter by initial conference and persuasion with all interested parties and their representatives.</p> <p>(b) The initial conciliation conferences must be informal and confidential, and nothing said or done during the initial conferences may prejudice the rights of any party. The initial conciliation conference must occur within 30 days after the complaint is filed unless the Director finds good cause for delaying it.</p> <p>(c) The Director's obligation to conciliate a complaint under this Section is satisfied if either party does not appear at a scheduled conference after receiving at least 10 days' notice.</p>
<p>§ 29-47. Commission action when violation found</p>	<p>(a) If, at the conclusion of the hearing, the Commission or panel finds, based on a preponderance of the evidence of record, that a violation of this Chapter has occurred or a defective tenancy exists, the Commission or panel must publish written findings of fact and conclusions of law based on the record and issue an order. The order may require the respondent to stop any unlawful conduct and take appropriate action to comply with this Chapter. The order may also contain a notice that if the Commission determines that the respondent has not, after 30 calendar days after service of the Commission's or panel's order, made a bona fide effort to comply with the order, the Department may take appropriate action and the Commission may refer the matter to the County Attorney for enforcement.</p>

(b) If the Commission or panel finds that a landlord has caused a defective tenancy, it may award each party to the complaint one or more of the following remedies:

(1) Immediate termination of the lease, and relief from any future obligations under the terms of the lease;

(2) Return of the party's security deposit or any part of the deposit that the landlord has wrongfully withheld;

(3) An award under Section 29-10(b) of up to three times the amount of any security deposit that the landlord has wrongfully withheld. When making this award, the Commission must consider the egregiousness of the landlord's conduct in wrongfully withholding all or part of the deposit, whether the landlord acted in good faith, and any prior history by the landlord of wrongful withholding of security deposits;

(4) Return of all or part of any rent already paid to the landlord after the landlord was notified of the condition;

(5) An award of damages sustained by the tenant as a result of the defective tenancy, limited to the actual damage or loss incurred by the tenant. The award must not exceed \$2,500 per affected dwelling unit.

(6) A reasonable expenditure to obtain temporary substitute rental housing in the area.

(7) An order permitting a tenant to correct the condition that constitutes the defective tenancy and abating the tenant's rent in an amount equal to the reasonable cost incurred by the tenant.

(8) After a retaliatory or illegal eviction as defined in Section 29-32, reasonable attorney's fees incurred by the affected tenant in defense of the retaliatory or illegal eviction. The award must not exceed \$1,000.00.

(c) If the Commission or panel finds that a tenant has caused a defective tenancy, it may award the landlord one or more of the following remedies:

(1) The landlord may immediately terminate the lease and gain possession of the premises under state law.

(2) An award of damages to be paid by the tenant sustained as a result of a defective tenancy, limited to the landlord's actual damage or loss. The award must not exceed \$2,500.00, with a credit for any damages deducted from a security deposit.

(d) Any award of damages under this Section not paid within 30 days after the award may be enforced by the person to whom the award was granted in any court of competent jurisdiction. Any court of competent jurisdiction may grant judgment plus interest from the date of the award.

HIGHLIGHTS - DHCA PUBLICATIONS AND FORMS

DHCA Complaint process/forms

Summary of tenants' rights and responsibilities: Statutory language: § 29-27. Contents of lease. Each lease for rental housing located in the County must: (w) Contain a plain language summary of tenant rights and responsibilities, in a form established by the Executive by method (2) regulation that includes, at a minimum: (1) the term of the lease; (2) the amount of the rent; (3) the date on which the rent is due; (4) the tenant's responsibility, if any, for utility costs;

(5) a list of additional tenant rights and responsibilities under the lease; and (6) information about services available to tenants from the Department and the Commission.

Tenants' Rights and Resources Lobby Sign/Housing provider posting requirement:

Provides tenant information about evictions and tenants' rights. **Language:**

- **COMPLAINT PROCESS:** If you believe the landlord is not complying with housing law, you have the right to file a complaint with the Department of Housing and Community Affairs (DHCA). Call 240-777-0311 (or dial 311 within the County) to learn more and start the process.

- **TENANT RIGHTS:** No landlord may change leasing practices to avoid compliance with the law. A landlord cannot evict, attempt to evict, or take any other retaliatory action against a tenant who exercises any rights contained in landlord-tenant law. See more at montgomerycountymd.gov/tenantrights.

- **GET ASSISTANCE:** Contact DHCA about housing law — 1401 Rockville Pike, 4th Floor, Rockville, MD 20852 | montgomerycountymd.gov/dhca | 240- 777-0311.
 - **Statutory language: § 29-30. Obligations of landlords. (a)(8)** Display in the lobby, vestibule, rental office, or other prominent public place on the premises, a sign in a form approved by the Director that *includes information* in English, Spanish, French, Chinese, Korean, Vietnamese, and other languages as determined necessary by the Director, *about: (A) filing a complaint under this Chapter; and (B) the retaliatory practices prohibited under this Chapter.*

Landlord-Tenant Handbook (Handbook): The Handbook is a practical guide for both housing providers and tenants concerning their respective rights and responsibilities.

- **Notice to tenants/statutory language:**
 - **Montgomery County Code § 29-27. Contents of lease. Requires notice to tenants of handbook** (u) Notify the tenant that: ... (2) the tenant is entitled to a hard copy of the Landlord-Tenant Handbook as required under subsection 29-28(f) and that the Landlord-Tenant Handbook is available on the County website.

 - **Montgomery County Code § 29-28. Leasing requirements generally.** (f) At the beginning of a lease term, each landlord must provide each tenant with a copy of the Landlord-Tenant Handbook unless the tenant signs a statement declining a hard copy and accepting referral to the Landlord-Tenant Handbook maintained on the County website.