

**FIRST READING: December 06, 2022**  
**SECOND READING/ADOPTION: February 21, 2023**  
**POSTED: February 22, 2023**  
**EFFECTIVE DATE: February 21, 2023**

**CITY OF MOUNT RAINIER, MARYLAND**

Ordinance No. 10-2022

Introduced by the Mayor & City Council

**AMENDED BY INTERLINEATION AFTER INTRODUCTION**

**Amending the Code of the City of Mount Rainier, to add Chapter 3D, “Rent Stabilization” to create a Rent Stabilization Board, to establish a rent stabilization program prohibiting rent increases above a specified amount without authorization from the Rent Stabilization Board and establishing the fees and penalties associated with the rent stabilization program**

WHEREAS, pursuant to § 5-202 of the Local Government Article of the Annotated Code of Maryland, the Council of the City of Mount Rainier, Maryland (the “City Council”) has the authority to adopt such ordinances as it deems necessary to protect the health, safety and welfare of the residents of the municipality; and

WHEREAS, pursuant to Md. Code Ann., Local Gov’t. Article, § 5-202, the City of Mount Rainier (“the City”) has the authority to adopt such ordinances as it deems necessary to assure the good government of the City; protect and preserve the City’s rights, property, and privileges; and preserve peace and good order; and

WHEREAS, according to the latest data from the United States Census Bureau, the City had a total of 3,728 housing units, 3,460 being occupied; and

WHEREAS, according to the latest data from the United States Census Bureau, renters occupy 2,680 units, which equates to 77.5% of the City’s dwelling units; and

WHEREAS, according to the Department of Housing and Urban Development (HUD), fair market rent, the dollar amount below which the rent for 40% of standard quality rental housing units fall, in the Washington-Arlington-Alexandria area, which includes Prince George’s County, is \$1,765 for a two-bedroom apartment; and

WHEREAS, HUD’s Small Area Fair Market rent for two-bedroom housing in the Mount Rainier zip code, 20712, equates to a \$24.62 hourly wage or a \$49,240 annual wage (data from <https://nlihc.org/oor/zip?code=20712>);

WHEREAS, in the two census tracts containing the vast majority of renters in the City, 8048.01 and 8048.02, the median household incomes are \$50,184 and \$60,882, respectively, while the remaining census tract for Mount Rainier, 8047 (which contains mostly single-family homes), has a median household income of \$82,500 (data provided by the United States Census Bureau); and

WHEREAS, according to the latest data from the United States Census Bureau, 44.8 % of the renters in the City paid more than 35% of their household income for rent; and

WHEREAS, renters face spending an ever-increasing percentage of their household income for rent; and

WHEREAS, the City Council finds that the cost of rental housing in the City is abnormally high; and

WHEREAS, the City Council further finds that there is a substantial and ever increasing shortage of decent rental housing accommodations, especially for families, households of low and moderate income and those on fixed incomes, in the City; and

WHEREAS, the current rental market in the City poses a threat to the public health, safety and welfare of the City's residents; and

WHEREAS, the City Council deems the protection of its residents from exorbitant rent increases to be a legitimate public purpose; and

WHEREAS, the City Council deems it to be in the best interest of the City to adopt a rent stabilization program in order to ensure the availability and maintenance of affordable housing in the City, to protect the standard of living of all City residents, and to strengthen and stabilize the City's neighborhoods.

Section 1. NOW THEREFORE BE IT ORDAINED AND ENACTED, by the Council of the City of Mount Rainier, that the City Code be and hereby is amended to add Chapter 3D, "Rent Stabilization", to read as follows:

CHAPTER 3D. RENT STABILIZATION

SEC. 3D-101. FINDINGS.

THE CITY COUNCIL FINDS AS FOLLOWS:

A. IN ORDER TO RETAIN OR FIND ADEQUATE RENTAL HOUSING, MANY RESIDENTS OF THE CITY PAY A SUBSTANTIAL AMOUNT OF THEIR MONTHLY INCOMES FOR RENT.

B. THE PRESENT SHORTAGE OF RESIDENTIAL RENTAL UNITS AND THE PREVAILING RENT LEVELS HAVE A DETRIMENTAL EFFECT ON THE HEALTH, SAFETY AND WELFARE OF A SUBSTANTIAL NUMBER OF MOUNT RAINIER RESIDENTS, PARTICULARLY PERSONS IN LOW AND MODERATE INCOME HOUSEHOLDS AND PERSONS ON FIXED INCOMES.

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- C. MORE THAN 2/3 OF THE RESIDENTS OF MOUNT RAINIER LEASE THEIR DWELLING UNITS.
- D. RESIDENTIAL TENANTS SUFFER GREAT AND SERIOUS HARDSHIP WHEN FORCED TO MOVE FROM THEIR HOMES.
- E. THE COMMUNITY IS IMPACTED BY HOUSING INSTABILITY WHEN RENT INCREASES OUTPACE INCOMES.
- F. THE WELFARE OF ALL PERSONS WHO LIVE IN MOUNT RAINIER IS DEPENDENT UPON THE ACCESS TO AFFORDABLE HOUSING.
- G. RENT INCREASES HAVE OUTPACED WAGES OVER THE LAST FEW DECADES.
- H. RENT INCREASES IN THE CITY HAVE OUTPACED THE CONSUMER PRICE INDEX FOR THE REGION INCLUDING MOUNT RAINIER.
- I. RESIDENTS NEED PROTECTION FROM EXORBITANT RENT INCREASES.

SEC. 3D-102. ~~DEFINITION~~ DEFINITION

THE TERM "RENT STABILIZATION ALLOWANCE" MEANS 60% OF THE CONSUMER PRICE INDEX (CPI) MULTIPLIED BY THE RENT CHARGED IN THE LAST CALENDAR YEAR PRECEDING THE PROPOSED INCREASE OR, IF THE UNIT IS VACANT BUT WAS PREVIOUSLY RENTED, 60% OF THE CPI MULTIPLIED BY THE RENT THAT COULD HAVE BEEN CHARGED HAD THE UNIT BEEN OCCUPIED IN THE PRECEDING CALENDAR YEAR. THE CITY SHALL PUBLICIZE THE RENT STABILIZATION ALLOWANCE ON ITS WEBSITE.

SEC. 3D-103. RENT STABILIZATION BOARD.

A. ESTABLISHED.  
THE CITY OF MOUNT RAINIER RENT STABILIZATION BOARD IS ESTABLISHED. THE BOARD SHALL CONSIST OF 5 MEMBERS APPOINTED BY THE COUNCIL, AT LEAST 3 OF WHOM SHALL BE TENANTS, AT LEAST 1 OF WHOM SHALL BE A LANDLORD OR PROPERTY MANAGER, AND AT LEAST 1 OF WHOM SHALL BE A HOMEOWNER.

B. AUTHORITY.  
THE BOARD IS EMPOWERED TO RULE ON PETITIONS FOR RENT INCREASES ABOVE THE RENT STABILIZATION ALLOWANCE IN ACCORDANCE WITH THIS CHAPTER.

C. QUALIFICATIONS. ALL BOARD MEMBERS SHALL BE RESIDENTS OF THE CITY EXCEPT THAT

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THERE MAY BE A MAXIMUM OF 2 MEMBERS WHO ARE NOT RESIDENTS OF THE CITY IF SUCH MEMBERS OWN OR MANAGE RENTAL HOUSING IN THE CITY ONE OF THE LANDLORD OR PROPERTY OWNER MEMBERS MAY RESIDE OUTSIDE THE CITY.

D. APPOINTMENTS AND TERMS OF OFFICE.

1. EACH MEMBER OF THE BOARD SHALL BE APPOINTED FOR A TERM OF THREE YEARS AND SHALL SERVE UNTIL THEIR TERMS EXPIRE OR THEIR SUCCESSORS ARE APPOINTED, WHICHEVER IS LATER.

2. A BOARD MEMBER WHO RESIGNS, WHOSE TERM EXPIRES OR WHO CEASES TO RESIDE IN ~~TAKOMA PARK~~ MOUNT RAINIER, MAY, AT THE DISCRETION OF THE BOARD CHAIRPERSON, CONTINUE AS AN INACTIVE MEMBER OF THE BOARD TO COMPLETE WORK ON CASES ON WHICH HE OR SHE PARTICIPATED AS AN ACTIVE MEMBER OF THE BOARD. THIS PARTICIPATION MAY INCLUDE THE APPROVAL AND SIGNING OF BOARD OPINIONS AND ORDERS.

E. REMOVAL.

THE COUNCIL MAY, BY RESOLUTION, REMOVE A ~~BOARDER~~ BOARD MEMBER BEFORE THE ~~BOARDER'S~~ BOARD MEMBER'S TERM HAS EXPIRED IF THE COUNCIL DETERMINES THAT THE ~~BOARDER~~ BOARD MEMBER HAS BECOME INCAPACITATED OR HAS FAILED SATISFACTORILY TO PERFORM HIS OR HER DUTIES AS A ~~BOARDER~~ BOARD MEMBER, OR HAS VIOLATED CHAPTER 1D, "ETHICS" OF THIS CODE.

F. ADMINISTRATION.

1. THE BOARD SHALL ELECT A CHAIRPERSON AND A VICE CHAIRPERSON FOR ~~A ONE-YEAR TERM~~ TERMS OR UNTIL ~~A SUCCESSOR IS~~ THEIR SUCCESSORS ARE ELECTED, WHICHEVER LAST OCCURS.

2. A QUORUM SHALL CONSIST OF AT LEAST ONE-HALF OF THE BOARD MEMBERS. A MAJORITY VOTE OF THOSE PRESENT SHALL BE SUFFICIENT FOR ANY OFFICIAL ACTION TAKEN BY THE BOARD.

3. THE BOARD SHALL MEET AS OFTEN AS REQUIRED TO PERFORM ITS DUTIES.

G. BOARD RULES OF PROCEDURE.

SUBJECT TO THE APPROVAL OF THE CITY COUNCIL, THE BOARD SHALL PROMULGATE RULES OF PROCEDURE THAT FURTHER REGULATE THE OPERATIONS OF THE BOARD.

SEC. 3D-104. LIMITATION ON RENT INCREASES

A. A LANDLORD MAY INCREASE THE ANNUAL RENT FOR A DWELLING UNIT IN AN AMOUNT UP TO, BUT NOT IN EXCESS OF THE RENT STABILIZATION ALLOWANCE UNLESS THE LANDLORD HAS BEEN GRANTED THE RIGHT TO CHARGE ADDITIONAL RENT BY THE RENT STABILIZATION BOARD.

B. THE LIMITATION ON THE AMOUNT OF AN ANNUAL RENT INCREASE SHALL APPLY REGARDLESS OF ANY CHANGE IN OCCUPANCY IN A RESIDENTIAL RENTAL UNIT, EXCEPT AS

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OTHERWISE ALLOWED UNDER SECTION 3D-105.

SEC. 3D-105. REASONABLE RETURN ON INVESTMENT

A. A LANDLORD MAY PETITION THE CITY'S RENT STABILIZATION BOARD FOR A RENT ADJUSTMENT IN EXCESS OF THE RENT STABILIZATION ALLOWANCE. A DECISION CONCERNING A DEVIATION FROM THE RENT STABILIZATION ALLOWANCE MUST TAKE INTO ACCOUNT THE FOLLOWING FACTORS:

1. INCREASES OR DECREASES IN PROPERTY TAXES
2. THE COST OF PLANNED OR COMPLETED CAPITAL IMPROVEMENTS TO THE RENTAL UNIT (AS DISTINGUISHED FROM ORDINARY REPAIR, REPLACEMENT AND MAINTENANCE) WHERE SUCH CAPITAL IMPROVEMENTS ARE NECESSARY TO BRING THE PROPERTY INTO COMPLIANCE OR MAINTAIN COMPLIANCE WITH APPLICABLE LOCAL CODE REQUIREMENTS AFFECTING HEALTH AND SAFETY, AND WHERE SUCH CAPITAL IMPROVEMENT COSTS ARE PROPERLY AMORTIZED OVER THE LIFE OF THE IMPROVEMENT
3. THE HOUSING SERVICES PROVIDED BY THE LANDLORD,
4. THE LANDLORD'S SUBSTANTIAL COMPLIANCE DURING THE PRECEDING RENTAL TERM WITH APPLICABLE STATE OR LOCAL LAWS AND REGULATIONS RELATED TO HOUSING
5. THE LANDLORD'S COMPLIANCE DURING THE PRECEDING RENTAL TERM WITH THE RENTAL AGREEMENT COVERING THE UNIT

B. ~~EXCEPTIONS~~ ADJUSTMENTS TO THE RENT STABILIZATION ALLOWANCE SHALL BE MADE ONLY WHEN THE LANDLORD DEMONSTRATES THAT SUCH ADJUSTMENTS ARE NECESSARY TO PROVIDE THE LANDLORD WITH A FAIR RETURN ON INVESTMENT.

C. THE RENT STABILIZATION BOARD MAY NOT GRANT AN UPWARD ADJUSTMENT TO THE RENT STABILIZATION ALLOWANCE FOR ANY UNIT THAT IS NOT IN COMPLIANCE WITH THE CITY'S MINIMUM LIVABILITY STANDARDS.

SEC. 3D-106. EXCEPTIONS TO THE APPLICABILITY OF THE RENT STABILIZATION ALLOWANCE

THE LIMITATION ON RENT INCREASES SHALL NOT APPLY TO:

- A. THE AMOUNT THAT A HOUSING SERVICE PROVIDER CAN BE REIMBURSED BY A GOVERNMENT ENTITY UNDER MARYLAND LAW.
- B. RENTAL PROPERTIES THAT ARE LESS THAN 15 YEARS OLD
- C. RENTAL UNITS IN BUILDINGS WITH 2 OR FEWER UNITS
- D. RENTAL UNITS IN OWNER-OCCUPIED BUILDINGS

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E. RENTAL UNITS THAT HAVE NEVER PREVIOUSLY BEEN RENTED

F. SHORT-TERM LEASING AGREEMENTS, WHICH SHALL MEAN LEASES FOR 30 OR FEWER DAYS, PUBLISHED VIA SHORT TERM LEASING PLATFORM SUCH AS AIRBNB. EXTENDING A LEASE BEYOND THIRTY DAYS OR RENTING A UNIT TO THE SAME TENANT FOR CONSECUTIVE PERIODS THAT TOTAL MORE THAN 30 DAYS WILL MAKE THE UNIT SUBJECT SUBJECTS THE UNIT TO THE RESTRICTIONS ON RENT INCREASES SET FORTH IN THIS CHAPTER

SEC. 3D-107. ENFORCEMENT, PENALTIES AND PROHIBITIONS

A. PENALTIES FOR VIOLATION. IN ADDITION TO ANY OTHER REMEDY AVAILABLE AT EQUITY OR LAW, A VIOLATION OF THIS CHAPTER IS A MUNICIPAL INFRACTION, PUNISHABLE BY A FINE OF \$500.00 FOR A FIRST OFFENSE, AND \$1,000 FOR EVERY OFFENSE AFTER THE FIRST.

B. PRIVATE RIGHT OF ACTION. ANY TENANT AGGRIEVED BY A LANDLORD'S NONCOMPLIANCE WITH THIS CHAPTER MAY SEEK EQUITABLE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO THE EXTENT PERMITTED BY LAW.

C. PROHIBITION OF WAIVER. ANY LEASE PROVISION THAT WAIVES OR PURPORTS TO WAIVE ANY RIGHT, BENEFIT OR ENTITLEMENT CREATED IN THIS CHAPTER SHALL BE VOID AND OF NO LAWFUL FORCE OR EFFECT.

D. RENTAL REGISTRY:

1. THE CITY SHALL CREATE AND MAINTAIN A PUBLICLY ACCESSIBLE RENTAL REGISTRY CONTAINING ALL LEGAL RENTAL UNITS WITHIN THE CITY OF MOUNT RAINIER AND INDICATE INDICATING WHICH UNITS ARE SUBJECT TO RENT STABILIZATION. THE RENTAL REGISTRY SHALL BE PUBLIC AND POSTED ON THE CITY'S WEBPAGE.

2. ALL RENTAL PROPERTIES MUST BE ON THE RENTAL REGISTRY. UNREGISTERED PROPERTIES CANNOT LEGALLY LANDLORDS MAY NOT RAISE THE RENT FOR UNREGISTERED PROPERTIES AND ARE ANY ATTEMPT TO DO SO IS A MUNICIPAL INFRACTION, SUBJECT TO MUNICIPAL CITATIONS THE PENALTY SET FORTH IN SECTION 3-106 OF THIS CHAPTER.

3. AT A MINIMUM, THE RENTAL REGISTRY MUST INCLUDE FOR EACH UNIT 1) THE YEAR BUILT, 2) THE NUMBER OF BEDROOMS, 3) THE ADDRESS OF THE PROPERTY, 4) THE UNIT NUMBER, 5) THE DATE ON WHICH THE PROPERTY WAS FIRST OFFERED FOR LEASE, 6) THE DATE THE CURRENT LEASE BEGAN, 67) THE RENT AS OF JANUARY 1 FOR EACH YEAR, 78) THE NAME OF THE PROPERTY IF IT IS MULTIFAMILY PROPERTY; 89) THE NAME, MAILING ADDRESS, PHONE NUMBER, AND EMAIL ADDRESS OF EACH OWNER AND MANAGER OF; AND 10) A REGISTERED PROPERTY; 9) IF STATEMENT OF WHETHER THE PROPERTY IS RENT STABILIZED.

4. PROVIDING FALSE INFORMATION RELATING TO THE REGISTRATION IS ILLEGAL UNDER THIS ORDINANCE AND A MUNICIPAL INFRACTION, SUBJECT TO MUNICIPAL CITATION THE PENALTY SET FORTH IN ACCORDANCE WITH SECTION 3D-1073-106 OF THIS CHAPTER.

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5. ~~YEARLY NOTICE~~NOTICE WILL BE SENT ANNUALLY TO THE LANDLORDS OF ALL RENTAL PROPERTIES REMINDING THEM TO REGISTER THEIR RENTAL UNITS AND PAY THE RENTAL LICENSE FEE AND INFORMING THEM OF THE RENT STABILIZATION ALLOWANCE.

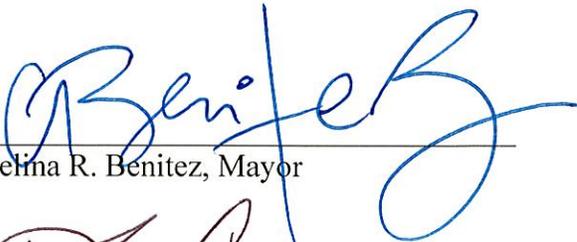
E. TO ASSIST IN COVERING ADMINISTRATIVE EXPENSES OF THE CITY ASSOCIATED WITH THE RENTAL REGISTRY AND OTHER PROVISIONS OF ~~THIS ORDINANCE~~THIS CHAPTER, THE CITY SHALL ANNUALLY COLLECT A FEE FROM THE OWNERS OF ALL REGISTERED RENTAL PROPERTIES AS DETERMINED IN ITS ANNUAL FEE ORDINANCE ~~THAT IS ENACTED ALONGSIDE ITS~~. BEGINNING ON MARCH 1, 2023 AND UNLESS ALTERED IN CONNECTION WITH THE ANNUAL BUDGET, ~~IN THE FIRST YEAR OF THIS ORDINANCE'S EXISTENCE~~, THE FEE ~~STRUCTURE~~ SHALL BE:

1. \$50 PER UNIT FOR RENTAL PROPERTIES WITH 4 OR MORE UNITS.
2. \$25 PER UNITS FOR RENTAL PROPERTIES WITH 3 OR FEWER UNITS.

**Section 2.** BE IF FURTHER ORDAINED by the Council of the City of Mount Rainier that, this ordinance is adopted by the Council of the City of Mount Rainier this 21<sup>st</sup> day of February, 2023 and shall take effect on the 21<sup>st</sup> day of February, 2023, provided that a fair summary has been read at the meeting at which it is introduced and adopted, that a copy shall be posted at City Hall for at least two weeks after it becomes effective, and that a fair summary is published at least once in a newspaper having general circulation in the City, inclusive of the City's newsletter mailed or otherwise delivered to every City household.

Attest:

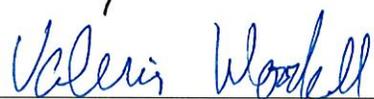
M Sam  
Melissa Sam, City Clerk

  
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Celina R. Benitez, Mayor

  
\_\_\_\_\_  
Luke Chesek, Councilmember Ward 1

  
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Jarrett Stoltzfus, Councilmember Ward 2

  
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James Tarlau, Councilmember Ward 1

  
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Valerie Woodall, Councilmember Ward 2

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